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Daily Report China

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General

Officials Comments on Possible Reentry to GATT

Li Peng Says Conditions 'Ripe'

OW2711145194 Beijing XINHUA in English 1431
GMT 27 Nov 94

[FBIS Transcribed Text] Beijing, November 27 (XINHUA)—Chinese Premier Li Peng said here today that conditions for China's re-try to GATT are ripe and the restoration of China's signatory status in the world organization is "natural and reasonable."

He made the statement during talks with visiting Iceland Prime Minister David Oddsson in the Great Hall of the People.

He cited the efforts China has made in recent years, including the reforms on economic structure, trade system in particular.

"China needs the world, and the world also needs China," Li said. As a big trade nation, China's re-try to GATT and its becoming a founding member of the new World Trade Organization is "natural and reasonable," Li said.

Noting that there is not much time left, Li said that he hoped the next round of talks on China's re-try to GATT before the end of the year would make progress. "The responsibilities do not lie with the Chinese side if the talks fail and the world organization continues to exclude China," he said.

China would not trade with principles in this regard, the premier reaffirmed.

The next round of talks are believed to be the last one concerning China's GATT status.

Oddsson said that his government has always supported China's re-try to GATT and believed China should become a founding member of the new World Trade Organization. The international trade has been the most important factor in boosting the global economy, he said.

During the talks, the two premiers also exchanged views on bilateral relations and other issues that are interested to both countries which established diplomatic relations in 1971.

Li described the bilateral relations as good, citing increasing political ties, expanding trade and cultural and scientific exchanges and cooperation. Li believed that Prime Minister Oddsson's current visit to China would help promote the development of the friendly relations between the two countries.

Oddsson said he was happy to have the chance to see China in person and to know more about its long history and rich culture as well as its achievements in political, economic and all other fields in the past decades.

He said that his government has decided to set up its embassy in Beijing early next year, considering the fact that China is playing an increasingly important role in international affairs and the continuing development of the relations between Iceland and China. Welcoming the decision, Li said he believed the set-up of the embassy in Beijing would benefit both official and people-to-people exchanges.

On bilateral trade relations, Li Peng called for probing new channels to expand economic cooperation. Iceland, rich and advanced in geo-thermal resources and technology, can have further cooperation with China in this field, Li said.

The two leaders expressed the desire to strengthen cooperation in environmental protection and both hoped that developed countries would make greater efforts to help developing countries. China has always attached great importance to environmental protection which is a national policy, Li said.

When Oddsson invited Li Peng to visit Iceland, Li said he expected the chance, saying that Iceland is not new to him as he had read a lot on the country which is far away from China.

After the talks, Li Peng and Oddsson attended the signing ceremony of a cultural agreement between the two countries.

MOFTEC Minister Comments

HK2811043094 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 24 Nov 94 p 5

[Dispatch from Hong Kong: "Wu Yi Stresses That Conditions for China's Re-entry Into GATT Are Completely Ripe"]

[FBIS Translated Text] Hong Kong 23 Nov (RENMIN RIBAO)—In her speech entitled "China and the Multilateral Trade Structure," which was delivered at the "Seminar on Hong Kong-Mainland Economic and Trade Relations After 1997" held here today, Wu Yi, minister of foreign trade and economic cooperation [MOFTEC], indicated that the fact that China aims to participate in the multilateral trade structure, signified by its re-entry into GATT, is out of the needs of reform and opening up, and the fact that China set out the goal of building the socialist market economy has aroused a strong reaction in world trade organizations. At present, the conditions for China's re-entry into GATT are completely ripe.

Wu Yu indicated that in the wake of China's reform and opening up since 1978, with economic and trade development and the deepening of economic restructuring, China's economy gradually must converge with that of the world. Such being the case, the issue of China's re-entry into GATT and its participation in the world multilateral trade structure was put on the important agenda of reform and opening up. Reviewing the talks on

China's re-entry into GATT over the past eight years, one can see that China's action in participating in the multilateral trade structure, signified by its re-entry into GATT, is out of China's need to implement reform and opening up.

Wu Yi added that the fact that China set the goal of building the socialist market economy has aroused strong reaction in GATT, this world economic and trade organization that deems the market economy classical. Today, China is exerting great efforts to build the market economy structure; this entirely complies with the GATT purport—"allocating resources by means of the market, expanding their full utilization, promoting economic growth and development." It is precisely in this sense that we say the conditions for China's GATT re-entry are ripe. She said that China has set out that the substantive talks on China's GATT re-entry should be concluded within this year; this way, China will become a founding member of the World Trade Organization.

Wu Yi said that experiences in reform and opening up over the past decade or so demonstrated the fact that despite the existing gap between Chinese and foreign enterprises, on the whole, Chinese enterprises already have acquired the basic conditions for participating in the international division of labor, as well as in competition to a larger degree and on a more extensive scale.

Wu Yi stated: Actually, China's GATT re-entry has a two-fold meaning. On the one hand, China's re-entry into an international economic and trade organization has a very strong impact on the world. On the other hand, it signifies that China's formulation and implementation of the laws and regulations concerning foreign economic and trade relations must refer to and follow corresponding international standards and criteria. Through efforts over many years, China has scored very great achievements in completing and perfecting the legal structure for foreign economic and trade relations. In May 1994, in particular, China promulgated the "Foreign Trade Law" on the basis of the GATT principle and China's specific conditions. In this law, it is explicitly stipulated that China is implementing a unified foreign trade system, and maintaining a fair and free foreign trade order according to the law. From now on, China will continue to formulate a series of laws, decrees, and regulations involving foreign trade which comply with international standards, including GATT and the Uruguay Round Agreement. This is not only out of the needs of China's re-entry into GATT, but more importantly, it completely complies with China's goal of building the socialist market economy.

Wu Yi stressed that the cause for the world's attention to China's GATT re-entry lies in the fact that it will exert tremendous, far-reaching effects on the world's economy and trade, thus providing the world with greater opportunities for market access. Under the present situation whereby the world economy and trade are highly interdependent, only when developed countries, which possess technology and capital, cooperate with developing

countries, which have tremendous market potential, will it be possible to promote the rapid growth of the world economy. When China, as the world's largest developing country, provides the whole world with a large market, it will make the greatest contribution to the global trade structure.

Wu Yi said: We hope that all signatories will proceed from the long-range view, and will actively support China in the historical process of participating in the multilateral trade structure. This would be conducive to the stability and economic development of Chinese society. In addition, the fact that China provides the world with an open, gradually expanding market complies with the basic interests of the broad signatories

Wu Yi on U.S. Demands

OW2811104994 Shanghai WEN HUI BAO in Chinese
18 Nov 94 p 1

["At an Interview With WEN HUI BAO Special Correspondents Zhu Xingfu (2612 1630 4395) and Zhu Guoqiu (2612 0948 4428) in Jakarta on 17 November, Wu Yi Says: China Is Still Hopeful To 'Reenter the General Agreement on Tariffs and Trade [GATT]' Before the End of 1994"]

[FBIS Translated Text] Jakarta, 17 Nov (WEN HUI BAO)—At an interview with WEN HUI BAO reporters here today, Wu Yi, Chinese minister of foreign trade and economic cooperation, said: China's current stance on resuming its position as a GATT signatory is "we will do our utmost and prepare for the worst." She reiterated that China will not close the door for talks on "re-entry into GATT," and believed that there is still some hope for China to re-enter GATT before the end of 1994 and thus, become a founding member of the "World Trade Organization."

Commenting on the prospects of China's "re-entry to GATT," Wu Yi indicated: China has made efforts in this regard in the past eight years and hopes to "accomplish the objective of re-entering GATT" before the end of 1994. This is China's "timetable." Wu Yi revealed: Multiple rounds of talks and work-team meetings will be held in Geneva, Switzerland, in the remaining weeks of 1994. It is the most crucial phase, deciding whether or not China "re-enters GATT."

Wu Yi pointed out: A major factor obstructing any breakthrough during the previous talks is that the United States "is quoting excessive prices" in the talks. China has demonstrated very great flexibility. In particular, in August 1994 China proposed a comprehensive plan for agricultural and nonagricultural products and for the services industry, and has been ready to make some sacrifices in certain areas. However, regrettably the United States has been urging China to make commitments to many unrealistic obligations and hence, placing obstacles in the talks. Wu Yi said she has warned the United States to withdraw some irrational demands,

because China absolutely will not disregard its own basic interests and stoop to further compromise.

Wu Yi indicated: The United States has repeatedly expressed its support for China's re-entry into GATT at an early date. We hope the United States will be as good as its words and will not propose any more harsh demands so that the issues on China's "re-entry to GATT" can be successfully resolved as soon as possible.

PRC Sets Deadline for Talks

OW2811094094 Beijing XINHUA in English 0924
GMT 28 Nov 94

[FBIS Transcribed Text] Geneva, November 28 (XINHUA)—China has decided to set the end of 1994 as the deadline for concluding "substantive negotiations" on its re-entry into the General Agreement on Tariffs and Trade (GATT) after about eight years of talks.

The announcement was made by China's chief negotiator Long Yongtu this morning when he met with GATT Director-General Peter Sutherland in Geneva.

Long, assistant to minister Wu Yi of the Foreign Trade and Economic Cooperation Ministry, told Sutherland that the decision has two specific implications.

First, beyond the deadline, China will not make new substantive offers in negotiations on the protocol and market access.

However, it will still engage in drafting the protocol and the report of the GATT working party on China, as well as verifying the three schedules on agricultural, non-agricultural products and the service sector.

Second, beyond that deadline, China will not on its own initiative seek bilateral negotiations with GATT contracting parties and meetings of the working party.

But Long stressed that his country, at the request of the GATT secretariat, or the secretariat of the World Trade Organization (WTO), the successor body to GATT, will still participate in negotiations until its GATT status is resumed.

Citing the December 15 deadline for concluding the Uruguay Round last year as an example, he explained that setting up a deadline for concluding substantive negotiations in trade talks is an international common practice.

Now that many contracting parties have expressed the hope that China shall become a founding member of the WTO, which is due to come into being on January 1 next year, it is "reasonable and logical" for China to set the year-end deadline, Long said.

He stressed the fact that China sent a delegation of more than 20 people today to participate in a new round of negotiations, which shows once again China's sincere desire to join the multilateral world trade system.

The Chinese delegation will enter into close cooperation with the GATT secretariat and the contracting parties to make the best possible efforts for China to become a founding member of the WTO, Long added.

At the meeting, Sutherland told Long that he fully understood the seriousness and importance of this political decision of the Chinese Government and that he was determined to do his best, as the director-general of the GATT, to persuade major contracting parties to push for the conclusion of China's re-entry negotiations as early as possible.

He also urged all the parties involved in the talks to show maximum flexibility at this crucial moment to address this foremost question of the GATT.

After his talks with Sutherland, Long met with Pierre Girard, chairman of the GATT Working Party on China, and informed him of the deadline decision.

A new round of negotiations on China's GATT membership opened in Geneva today and will last several weeks.

Article Views Obstacles to Beijing's GATT Reentry

OW2511114394 Beijing BEIJING REVIEW in English
No 37, 14-20 Nov 94 p 10

[Article by Pan Yongming: "China Still a Developing Country"]

[FBIS Transcribed Text] Is China a developing country? This is not a valid question in the first place, but recently some member states of the General Agreement on Tariffs and Trade (GATT) are trying to block China from resuming its status in the world trade organization by refusing to admit that China is a developing country. By doing so they are trying to deny China the preferential treatment that a developing country is entitled to.

There are certain objective standards for determining whether a nation is a developing country or not. The United Nations, the World Bank and GATT each have their own yardsticks for classifying a country into developed or developing categories. By any of these standards, China is a developing country.

The United Nations classifies countries into "developed market economies" and "developing market economies." The 24 member states of the Paris-based Organization for Economic Cooperation and Development (OECD), for example, are classified as developed market economies, while petroleum-exporting countries, manufactured goods-exporting countries and least developed countries are classified as "developing market economies."

The World Bank uses a quantitative standard in its classification system. Those with a per capita gross domestic product (GDP) under U.S.\$675 are classified as "low income countries." GATT defines developing countries as having a great gap in living standards

compared with other countries and being in the initial stage of development. GATT notes that the term "initial stage of development" not only applies to those contracting parties whose economies are only beginning to develop, but to those whose economies are in the process of industrialization as well. China is not a member state of OECD and its per capita GDP is far below the ceiling imposed for "low income countries." It is a typical developing country with an economy that is in the process of industrialization.

It is true that China has, in recent years, seen rapid economic growth and a drastic increase in foreign trade thanks to its reform and opening policy. However, the population factor cannot be ignored when talking about China, a country with a population of 1.2 billion—about one fifth of the entire world population. Each year China sees a net increase of 16 million, which offsets the efforts China makes to develop its economy. In China today there are 80 million people who still live in poverty. At present, China's per capita GDP and exports are only a small fraction of those of the developed countries and are significantly lower than many developing countries. Those developing countries continue to enjoy preferential treatment after they joined GATT. Why is it that China, whose economic and foreign trade development is lower than those countries, cannot be treated as a developing country and enjoy favorable treatment? Is this fair?

It is both justified and practical for China to demand that it resurface its seat in GATT as a developing country. This position has won support from many other developing countries. When elaborating the position of the Association of Southeast Asian Nations on July 29 at the 18th session of GATT's China group, Malaysian representatives stressed that China should absolutely not be excluded from enjoying developing-country treatment.

Although China hopes to resume its status in GATT, it will not compromise on its principles. As Wu Yi, minister of foreign trade and economic cooperation, told visiting U.S. Secretary of Commerce Ron Brown, China will not "sacrifice everything" to get into GATT or trade its national interest for that status. She added that should China be denied entry into GATT and the forthcoming World Trade Organization, it will not be bound by its commitments any more. In that scenario, China will not be the only one hurt. The Western countries will be hurt as well. The only wise choice is to stop short of overkill when bargaining with China on its reentry into GATT. Once China has developed a great world-market economy, it will be beneficial to China, to the West and to the world at large.

UN Envoy Stresses Rights to Subsistence, Development

OW2711060694 Beijing XINHUA Domestic Service in Chinese 1627 GMT 26 Nov 94

[FBIS Transcribed Text] United Nations, 25 Nov (XINHUA)—Wang Xuexian, Chinese deputy representative

to the United Nations, said at a UN General Assembly Third Committee discussion on human rights: The politicization of human rights and the creation of a double standard on the issue are products of the Cold War that should have been done away with long ago.

Wang Xuexian pointed out: The politicization of human rights and the creation of a double standard on the issue are like two huge rocks blocking the road of international cooperation. Some countries, posing as saviors and human rights judges, pressure developing nations and wantonly interfere in other's internal affairs. Also, the United Nations has set up more and more human rights organizations that are overstaffed and becoming less and less efficient. These problems seriously obstruct international cooperation in the human rights field making the UN human rights field full of a confrontational atmosphere.

He pointed out: To create a new situation in their human rights work, UN human rights organizations should change their present ways and methods of examining and discussing a country's human rights issue. They should overcome selectiveness and politicization, reduce confrontation, and promote cooperation.

Wang Xuexian said: The "Vienna Declaration and Action Program" is of guiding significance to international cooperation in the human rights field, and it should be comprehended and implemented comprehensively and accurately. It is necessary to respect the special conditions of different countries and promote international cooperation.

He emphasized: "Facts have proved that the practice of pursuing power politics and imposing, on the pretext of human rights, one's own values on other countries or regions in total disregard of their special conditions will never work."

He said: We should first be concerned about and stop large-scale, gross violations of human rights, caused by racism, racial discrimination, and foreign invasion and occupation. At the same time, we should particularly pay attention to the right to subsistence and the right to development, which are the concern of a large number of developing countries. He believes that the human rights for discussion now are not only civil and political rights, but also economic, social, and cultural rights and the rights to subsistence and development.

Says 'Double Standard' Exists

OW2611052094 Beijing XINHUA in English 0507 GMT 26 Nov 94

[FBIS Transcribed Text] United Nations, November 25 (XINHUA)—The politicization of human rights and the creation of a double standard on the issue were products of the Cold War that should have been done away with long ago, a top Chinese representative told a UN meeting today.

Speaking at a Third Committee (Social, Humanitarian and Cultural) meeting, Ambassador Wang Xuexian said human rights encompassed an extensive spectrum of rights, ranging from civil and political rights to economic, social and cultural rights, and to the right to development and subsistence.

Therefore, he said, "no country in the world can claim to be totally perfect in every respect."

"Describing one group of countries as defending and others as violating human rights does not square with the facts. It also runs counter to the principle of treating human rights in a fair and equal manner as set forth in the Vienna Declaration and Program of Action," he said.

The Chinese ambassador said countries and regions differed in their political systems, levels of development, history and cultural backgrounds.

"Facts have proved that the practice of pursuing power politics and imposing, on the pretext of human rights, one's own values on others in total disregard of the special conditions that obtain would never work," he added.

Wang also proposed to reduce agenda items and unnecessary reports of the Commission of Human Rights and checking the endless establishment of supervision mechanisms of a certain category of human rights.

The current commission should be reformed to avoid violating the principle of equitable geographical distribution so as to better reflect the international community, he added.

'Roundup' Views Qiao Shi's Four-Nation Visit

OW2711121594 Beijing XINHUA Domestic Service in Chinese 1632 GMT 26 Nov 94

[XINHUA "Roundup" by reporter Liu Huorong (0491 3499 2837): "Cross-Pacific Goodwill Trip"]

[FBIS Translated Text] Suva, 26 Nov (XINHUA)—Qiao Shi, chairman of the National People's Congress [NPC] Standing Committee of China, successfully wound up his official goodwill visit to four countries in Oceania and Latin America and left Brazil's Sao Paulo for home via South Pacific's Fiji on 25 November.

Qiao Shi is the first NPC Standing Committee chairman to visit Oceania and Latin America since the founding of New China. During the 24-day visit, he met with top parliamentary and government leaders of New Zealand, Australia, Argentina, and Brazil, and comprehensively exchanged views with them on developing bilateral relations and on international issues of common interest. These high-level contacts show that political dialogue between China and these countries has been on a new, higher level and these countries attach extreme importance to developing friendly and cooperative relations with China.

During Chairman Qiao Shi's meetings with New Zealand and Australian leaders, all parties realized that since China established diplomatic relations with the two countries in 1972, bilateral relations have grown smoothly, the exchange of high-level visits has been frequent, economic cooperation and trade have constantly been enhanced, and remarkable results have been achieved in exchanges and cooperation in the scientific, technological, cultural, educational, and other fields. Chairman Qiao Shi emphasized that China, New Zealand, and Australia, situated in the Asia-Pacific region, have many things in common and share the same goal of maintaining peace and stability in the region. The leaders of New Zealand and Australia shared his view.

During his meeting with Argentine President Menem, Qiao Shi said: Although China and Argentina have different special conditions and problems, the two countries may support each other, step up exchanges and cooperation, and usher in the 21st century together. In Brazil, Chairman Qiao Shi pointed out: China and Brazil are the largest developing countries of the Eastern and Western hemispheres, respectively, and there is great potential for cooperation between them. To strengthen and expand the friendly and cooperative relations between the two countries not only conforms to the fundamental interests of their peoples, but also will contribute to South-South cooperation, world peace, and the progress of mankind.

Chairman Qiao Shi's visit has further promoted the existing close relations between the NPC of China and the parliaments of the four countries and been praised by those parliaments. New Zealand speaker Peter Tapsell described Qiao Shi's visit as a "great honor" to the New Zealand parliament. Stephen Martin, speaker of Australia's House of Representatives, said that the Australian-Chinese relations are very close and the relations will keep growing after Chairman Qiao Shi's visit. Provisional President Eduardo Menem of the Argentine Senate said that Qiao Shi's visit would play an important role in promoting exchanges and friendship between Argentina and China. Humberto Lucena, speaker of the National Congress and president of the Senate of Brazil, praised Qiao Shi's visit as "an indication of even closer relations between Brazil and China."

Qiao Shi delivered important speeches in Sidney and Sao Paulo, the largest cities in Australia and Brazil, respectively. He briefed the entrepreneurs of the two countries on China's reform, opening up, and economic construction, and especially its daily improving investment environment, and encouraged them to invest and run factories in China and to make contributions to further promoting the relations between their countries and China.

During the four-nation trip, Qiao Shi visited some scientific and technological, industrial, agricultural, and

animal husbandry facilities and had wide-ranging contacts with the people of all walks of life in those countries. In Brazil, Qiao Shi visited Itapu [name as transliterated] Hydroelectric Power Station, located on the Brazil-Paraguay border and built and managed jointly by the two countries. He thoroughly familiarized himself with the construction and operation of the world's largest hydroelectric power station so as to draw some useful experiences for China's Three Gorges Project.

In short, Chairman Qiao Shi's visit has created another bridge on the Pacific for promoting friendship and cooperation between China and Oceania and Latin America. It will surely help further expand the mutually beneficial cooperation, promote bilateral relations in all fields, and maintain a lasting friendship between China and those countries in the latter part of this century and in the next century, and will make new contributions to promoting world peace and development.

Reportage on Developments in Bosnia-Herzegovina

UN Official Comments on Bihac

OW2611034894 Beijing XINHUA in English 0334
GMT 26 Nov 94

[FBIS Transcribed Text] United Nations, November 25 (XINHUA)—Events in the UN-designated "safe area" of Bihac during the next 24 hours would be decisive, a top UN official said here today.

Kofi Annan, UN under-secretary-general for peace keeping operations, told reporters that NATO planes had been called in to Bihac by the UN Protection Forces (UNPROFOR) to protect UN Soldiers.

The UN Troops were in dangerous conditions after Bosnian Serb forces ended a cease-fire agreement and began shelling the Muslim-held Bosnian town.

Annan said the NATO planes flew for 60 minutes but launched no attacks, although several missiles were fired at them with no hits. Both air and ground forces were required to contain the situation and UNPROFOR did not have the forces on the ground to do the job.

Stressing that there was a limit to what could be done from the air without endangering both UNPROFOR troops and civilians, Annan said the situation was "complex, fluid and required keen judgment."

According to a UN spokesman earlier today, UN Secretary-General Butrus Butrus-Ghali would continue to negotiate and make his best efforts to obtain a cease-fire in Bosnia and use all means at his disposal to guarantee success.

The UN chief had extensive and continuing telephone conversation with various leaders regarding developments in the republic and spoken on several occasions with NATO Secretary-General Willy Claes, and with Bosnian leaders, said the spokesman.

UN Demands Serb Withdrawal

OW2711101694 Beijing XINHUA in English 0727
GMT 27 Nov 94

[FBIS Transcribed Text] United Nations, November 26 (XINHUA)—The United Nations Security Council in a statement today demanded Serb forces withdraw from the U.N.-designated safe area of Bihac in northwest Bosnia.

"The council insists on the withdrawal of all Bosnian Serb military forces from the Bihac safe area and on the need to ensure full respect by all parties of the safe areas, particularly for the benefit of the civilian populations," the statement said.

The statement also demanded Croatian Serbs from the Krajina region, who have joined the Bosnian Serbs in the attack on Bihac, withdraw from Bosnian territory immediately.

The Serbs attacking the Muslim-held Bihac, have encircled the town, leaving a road open for refugees to flee, according to newspaper reports.

The council, in the statement approved by all 15 members, condemned the "flagrant and blatant" entry of the Serbs into the town and called on all parties to negotiate a cease-fire.

It also urged the Bosnian Serbs to accept unconditionally and in full the peace plan proposed by the contact group comprising Russia, the United States, Germany, France and Britain.

The peace plan calls for Bosnia to be divided roughly equally between the Serbs and a Federation of Muslims and Croats.

"The council will monitor compliance with the terms of this statement and react appropriately," the statement warned.

Bosnia's UN Ambassador, Muhamed Sacirbey, had repeatedly asked the council for stronger use of NATO air power against the Serb forces, but Russia has cautioned the council not to do so.

Serbs Capture One-Third of Bihac

OW2811025294 Beijing XINHUA in English 0227
GMT 28 Nov 94

[FBIS Transcribed Text] Belgrade, November 28 (XINHUA)—Surrounding Bihac with artillery and tanks, Bosnian Serbs have captured about one-third of the UN-protected Muslim enclave and are apparently waiting for the Muslim opposition forces of western Bosnia to come and take over the town.

Local media reports quoted sources as saying that as the Serbs have tightened their encirclement of Bihac after five days of fighting, the Muslim troops in the town are having a more and more difficult time.

Meanwhile, the United Nations is still trying to push for a ceasefire and a demilitarized zone in Bihac.

The Muslims have accepted the proposal, but the Serbs are yet to respond.

An aide of the Serb Army commander on Sunday shrugged off the UN proposal as a mere effort to save the Muslims from a total defeat.

The aide, Milan Gvero, said that when Muslims were launching offensives against the Serb Army and capturing territories, they had gained support from the international community. However, as the Serb Army is counterattacking, the UN has hastily declared the area from where Muslims launched their attacks as safe areas, he said.

He stressed that the Serbs can eliminate the Muslims in Bihac any time they want.

Earlier, the Serbs had demanded what remained of the routed Muslim 5th Corps troops in Bihac to surrender to the people's self-defense team of the opposition Muslims on Sunday.

The Vice President of the Serbian republic of Bosnia-Herzegovina, Nikola Koljevic, said on Sunday that the Muslims would feel more relaxed psychologically if they surrendered to their compatriots than to the Serb Army.

He said that once the opposition Muslim forces take control of Bihac, the Serb forces will withdraw from the area.

In another development, Bosnian Muslim Prime Minister Haris Silajdzic said he called NATO Secretary General Willy Claes on Sunday, appealing for NATO air strikes against Serbs in Bihac.

Claes only told him that he is aware of the grave situation in Bihac.

Silajdzic also accused UN Special Envoy Yasushi Akashi of rejecting the call for NATO air strikes against Serb positions. Silajdzic said Akashi will be held responsible for the safety of people living in Bihac.

Meanwhile, U.S. Defense Secretary William Perry said on Sunday that even if Muslims ask for air strikes, such strikes cannot determine the outcome of ground combats in Bihac.

This remark by the U.S. defense secretary has caused grievances at the UN Peacekeeping headquarters in Zagreb.

However, UN Commander in Bosnia Lt. Gen. Michael Rose also said that Serbs can occupy the town if they want.

Rose said in an interview with French television reporters today that he does not envisage a withdrawal of UN Forces from Bosnia.

"We are not going to throw in the towel," said Rose, adding that the situation in Bihac is "obviously quite serious, but I don't think that it is desperate yet."

NATO has launched at least three air strikes against Bosnian and Croatian Serbs in the past few days, but it failed to stop the Serbs from advancing towards Bihac.

Serbia, Russia Fear Escalation

OW2811032194 Beijing XINHUA in English 0257
GMT 28 Nov 94

[FBIS Transcribed Text] Belgrade, November 27 (XINHUA)—Serbian President Slobodan Milosevic and Russian Foreign Minister Andrey Kozyrev today urged the prevention of an escalated war in Bosnia and called for amendments to be made to an earlier peace plan.

The two sides exchanged views over the crisis in the former Yugoslavia and bilateral relations during a meeting in Karadjordjevo, said a communique from the Serbian presidential office.

They said that to perfect the peace plan proposed by the five-nation contact group last July and to prevent any escalation of the conflict are two major tasks facing parties concerned in resolving the crisis.

The peace plan, they said, should "unequivocally" stipulate that when the Bosnian Serb Republic and the Federal Republic of Yugoslavia form a confederation, they will enjoy equal rights as the Bosnian Muslim-Croat Federation and the Republic of Croatia did when they formed such a confederation.

The plan, which has been rejected by the Bosnian Serbs, will divide Bosnia roughly equally between the Serbs and a Muslim-Croat Federation.

Milosevic and Kozyrev also called for a final version of the constitution in Bosnia-Herzegovina and conditions for bilateral border demarcation.

They added that any actions to weaken the arms embargo against the warring parties would sabotage the peace process and damage the United Nations' prestige of neutrality in solving international crises.

In view of the continued escalation of the conflict, Milosevic said, the Bosnian warring parties should sign an overall ceasefire agreement as soon as possible.

Kozyrev reaffirmed his country's firm support for Yugoslavia's position of a peaceful settlement to the crisis, adding that the international community should consider an earlier lifting of sanctions against Yugoslavia as an important step towards peace.

Meanwhile, Milosevic and Kozyrev agreed that strengthening bilateral economic ties is of mutual interests. Russia's export of natural gas to Yugoslavia at present has "a special meaning," they added.

Diplomats here say that Kozyrev's shuttle trips to Paris, Bonn and Belgrade are aimed at preparing for a meeting of the contact group's foreign ministers in Brussels early next month.

Speaking at the Belgrade airport upon departure, Kozyrev said high on the agenda of the forthcoming meeting will be further weakening of the sanctions against Yugoslavia.

He described his talks with Milosevic as "very fruitful."

Commentary Criticizes U.S. Policy in Bosnia

HK2811065094 Beijing LIAOWANG in Chinese 21 Nov 94 p 47

[Article by Wei Yang (2607 5017): "On the New Action Taken by the United States in Bosnia and Herzegovina"]

[FBIS Translated Text] On 11 November, disregarding the strong opposition of its NATO allies, the United States unilaterally announced its decision to lift the arms embargo on Muslims in Bosnia-Herzegovina. The U.S. move was designed to apply greater pressure on Serbs to serve U.S. global strategic interests. The civil war in Bosnia-Herzegovina will intensify for a period to come. Judging from the general situation, Serbs are in a sorry plight.

Along with the Soviet Union, Yugoslavia was worst hit in the international political storm in early 1990's. It broke into five countries: the Federal Republic of Yugoslavia, Croatia, Slovenia, Macedonia, and Bosnia-Herzegovina. In Bosnia-Herzegovina, Croats, Serbs, and Muslims competed for territory, resulting in a civil war. The United States did not poke its nose into Bosnia-Herzegovina until February this year, primarily because other Western countries which are geographically near to and have close ties with Bosnia-Herzegovina were maneuvering there. Since February, however, the United States has departed from its normal behavior, and has gotten actively involved in the civil war. Even for outsiders it is not difficult to get a hint of the mystery of the move.

As everyone will remember, NATO served the Serbs with an ultimatum on 9 February, demanding they withdraw their heavy weapons from the outskirts of Sarajevo within 10 days. If they failed to comply, NATO said it would carry out an air strike against them. At that time, Russia, which was disappointed with the West and was facing intensifying internal contradictions and the challenge of growing nationalist forces, tried to show its status as a major country by adopting a hard-line foreign policy. While sending peace-keeping troops to the civil war front, it persuaded Serbs to withdraw their heavy weapons. Serbs acted on its advice, and NATO's air strike plan went down the drain. At that time, a spokesman for President Yeltsin made the following remarks, which were irritating to the United States: "Russia's action not only helped restore its key role in the history of the Balkan Peninsula and defended the

Serbs, who are close to us in terms of beliefs, culture, and national spirit, but also firmly established Russia's sphere of influence in Europe and the world." The remarks in fact served to remind the United States: Though the Soviet Union does not exist, Russia remains a big country, a match for the United States.

Accordingly, the United States began to strike back. In late February, brushing aside the programs tabled by its European allies two years ago, the United States suggested that Muslims in Bosnia-Herzegovina and Croats jointly set up a federal state and then join the Croatian Republic in setting up a confederate state. The two parties signed an agreement on 18 March, effecting a "marriage without love." People might make light of the combination at first, but they saw the combination really changed the political and military situations in Bosnia-Herzegovina when the Muslim-Croatian allied forces attacked Kupres, a city of strategic importance in the central area of B-H controlled by Serbs, in late October. When the Muslims, Croats, and Serbs met one another in tripartite confrontation, the Muslims and Croats fought against each other and were terribly battered. Now that the Muslims and Croats are jointly fighting against the Serbs, how can the Serbs stand up to the enemy?

After successfully persuading Muslims and Croats to join hands, the United States pressed ahead with their plan. It repudiated the Owen-Stoltenberg package and, along with France, England, Germany, and Russia, put forward a new proposal known as the five-state plan on 7 July. The new proposal put Serbs at a disadvantage, which finds expression in two points: 1) The former program clearly defines the future state structure for Bosnia-Herzegovina, namely, an alliance of republics, which is a structure partly like a federation and partly like a confederation, but the new package does not clearly determine this issue. According to the U.S. proposal, the Muslim-Croatian federal state is allowed to set up a confederate state with Croatia, but Serbs are not allowed to join the Republic of Serbia in the Federal Republic of Yugoslavia; 2) there is little difference between the two plans in the size of the territory due to the parties concerned, but there is a big difference in the distribution. According to the new program, Serb territories will be scattered. So Serbs are in favor of the old plan, which the Muslims oppose, and they hold the opposite positions on the new proposal.

The United States is trying to impose the new plan on the Serbs. There has been a report that the United States has secretly sent military instructors to help train Muslim troops, has provided them with satellite pictures of Serbian troop positions, and has allowed its own sworn enemy Iran to provide military equipment to Muslim troops. The fact that it unilaterally announced its decision to lift the military embargo on the Muslims indicates it has taken a major step forward in applying pressure on the Serbs.

The United States was castigated by its allies, including Britain and France, for violating the UN resolution which it had approved and going against the policy unanimously supported by the NATO members. This criticism was nothing serious for the United States, because: One, as the chief of the Western alliance and the only superpower, it goes all out to get a UN resolution adopted when it needs one but does not hesitate to throw a resolution to the wind when it does not need it. This is not the first time this has happened. Two, there are differences between the United States and Europe on minor matters, but they see eye to eye on major matters. While Europe occasionally expresses its dissatisfaction, its actions are basically in tune with the United States.

The Serbs have secured no backers. The Federal Republic of Yugoslavia has decided not to support the Serbs any more in exchange for the lifting of the Western economic embargo. But the United States is not yet ready to lift the embargo against Yugoslavia, because the time is not ripe. Take Iraq for example—though Iraq has acknowledged Kuwait's legal sovereignty and the Iraqi-Kuwaiti border demarcated by the UN and Russia has made vigorous efforts to lift the embargo against Iraq, the United States has still said no, because Iraq has not done enough. The United States will not relax until it has attained its strategic goal. It is the whole Serbian population that the United States is trying to bring to their knees. The Russian Duma has sent a protest to the United States over its unilateral action, but it has amounted to nothing. A big country and a potential pole of the future world order, Russia is plagued by many domestic difficulties. While it may wish to scramble for supremacy, its ability is not equal to its ambition and thus cannot help the Serbs. Again, will the United States consider Russia's protest when it brings pressure to bear upon the Serbs, with a view to containing Russia? Serbs in Bosnia-Herzegovina will come to terms sooner or later, although there will be serious clashes before a compromise is arranged.

Correction to Feature Hailing Jiang's SRV Visit *HK2411054694*

The following correction pertains to an item headlined "Feature Hails Jiang Zemin's SRV Visit as 'Milestone'" published in the 25 November China DAILY REPORT on page 13:

Make subslug read: ...["Special feature" by He Chong (6320 3095): Jiang Zemin's Visit to Vietnam Is a New Milestone in the Development of Sino-Vietnamese Relations"... supplying author's name.

United States & Canada

U.S. Congress Criticized Over Attempt To Block WTO

*HK2511135994 Beijing RENMIN RIBAO in Chinese
24 Nov 94 p 7*

[Article by Liang Zhang (0081 4545) from the "Economic Notes" column: "A Storm on the Capitol Hill"]

[FBIS Translated Text] The World Trade Organization [WTO] is scheduled to be established on 1 January 1995, formally replacing GATT. However, barely a month from this historical date, a storm has broken out on Capitol Hill: Attempts have been made to kill the new world trade treaty, causing serious concern within the international community.

The new world trade treaty was approved on 15 December last year by GATT Director General Sutherland during the Uruguay Round. The Uruguay Round talks went through many twists and turns and lasted seven years. Though not a perfect one, the treaty was generally endorsed by countries around the world, which anticipated that it would play an important role in promoting world trade, liberalizing international trade, and advancing the development of the global economy. A GATT report released early this month projected that trading in commodities alone would generate \$510 billion for the world economy by 2005. The amount would be even bigger if we factored in service trade.

Ever so "self-centered," some U.S. Congress members claimed that the treaty would increase unemployment in the United States, weaken its sovereignty, and undermine its competitiveness... In a word, the accord offers nothing but harm for the United States. This group of people are stepping up activity in their effort to block the treaty with votes or postpone the voting.

Dole, slated to become the Senate majority leader, proposed a so-called compromise package favoring the Congress to pass the treaty but allowing the United States to withdraw unilaterally from the WTO if it adopts decisions inimical to the American economy two times in a row. This proposal aims to assuage the opposition, while at the same time bluffing and threatening the WTO. The Clinton administration, which has actively lobbied Congress to adopt the treaty unconditionally, has yet to make a public response.

In fact, it is generally perceived that the greatest beneficiary of the implementation of the new treaty will be the United States, as it is the largest exporting country. Deep tariff cuts will help expand its commodity exports, and the treaty's provisions on increased intellectual property rights protection and new clauses on investment and service trade will enhance to the United States' traditional trading advantage even more. Vice President Al Gore also predicted that U.S. GDP will increase \$100 to \$200 billion annually thanks to the treaty. The above-described actions by some Congress members, therefore, hurt the image and reputation of the United States, itself a signatory to the treaty, as well as the development the American economy.

Since the Cold War, the international economy has become increasingly integrated. The liberalization of global trade is almost destined to become a reality. As a member of the WTO which is on an equal footing with the others, a country should follow strictly the provisions of the new treaty, enjoying its rights and honoring its

obligations. If the United States wants only rights and not obligations, it is, in effect, pursuing trade protectionism. Only by strengthening cooperation, international trade, and the exploitation of comparative advantages on a foundation of equality and mutual benefit can the objectives of achieving common prosperity and creating happiness for mankind be achieved.

NPC Vice Chairman Meets Canadian Mayor 25 Nov

OW2511132594 Beijing XINHUA in English 1300 GMT-25 Nov 94

[FBIS Transcribed Text] Beijing, November 25 (XINHUA)—Vice-Chairwoman Lei Jieqiong of the Standing Committee of the Chinese National People's Congress (NPC) met here today with Jacquelin Holzman, mayor of Ottawa, the capital of Canada.

Lei said that Holzman's visit, in the aftermath of Prime Minister Jean Chretien's recent trip here, testified to the friendly relations between the two countries.

Holzman and her party arrived here November 20 as guests of the Beijing Municipal Government. During the visit, Beijing and Ottawa signed a memorandum of understanding on friendly relations between the two capitals.

Ottawa is looking for more co-operation and exchanges with Beijing, Holzman said.

Holzman and her party have already visited the Great Wall, palace museum and Beijing's New Technology and Industry Development Zone.

Central Eurasia

Yu Yongbo at Russian Military Art Troupe Performance

OW2311170694 Beijing XINHUA in English 1640 GMT 23 Nov 94

[FBIS Transcribed Text] Beijing, November 23 (XINHUA)—The Russian Military Song and Dance Ensemble put on performances in the China theater here this evening.

Yu Yongbo, a member of the Central Military Commission and director of the General Political Department of the People's Liberation Army (PLA), and other officers and men of the Army, Air Force and Navy of the PLA watched the performances.

Also in the audience was Russian Ambassador to China Igor A. Rogachev and Col. Yuri P. Lebedev, military attache at the Russian Embassy.

Heilongjiang Official Meets With Russian Guests

SK2411062794 Harbin HEILONGJIANG RIBAO in Chinese 12 Nov 94 p 1

[Report by Jiao Mingzhong (3542 2494 1813): "Wang Zongzhang Meets With Russian Guests"]

[FBIS Translated Text] This morning, Vice Governor Wang Zongzhang met with Mr. Miliniguofu [name as transliterated], representative of the Russian president stationed in Chita Oblast. He arrived in Harbin on the first chartered flight along with the Chita city government delegation of Chita Oblast of Russia and the economic and trade delegation.

Wang Zongzhang extended congratulations to the successful maiden flight between Chita city and Harbin city and a warm welcome to the visit of Mr. Miliniguofu, the Chita city government delegation, and the economic and trade delegation. He said: In conducting trade with Russia, our province has paid great attention to cooperation with its neighboring oblasts and regions. Comparatively, our cooperation with Chita Oblast has developed slowly. He analyzed the existing problems in the trade activities with Russia and expressed hope that these problems will be reflected to Chita Oblast and the state leaders through Mr. Miliniguofu. He believed that as long as both sides are sincere, economic and trade cooperation relations will surely be developed through various forms and under the principle of equality and mutual benefits.

Mr. Miliniguofu said: The Russian Council is studying preferential policies for promoting investment and improving the investment environment. The council's attitude is to find cooperative partners in the neighborhood. The ongoing contacts between Chita city and Harbin city are an important step for developing relationship between both sides. He invited our provincial leaders to visit Chita Oblast if opportunity arises.

Harbin-Chita, Russia Air Route Opens 8 Nov

SK2411054494 Harbin HEILONGJIANG RIBAO in Chinese 12 Nov 94 p 1

[Report by Jiao Mingzhong (3542 2494 1813): "Air Route Between Chita city of Russia and Harbin Opened"]

[FBIS Translated Text] It was learnt at the provincial government today that the air route between Chita city of Chita Oblast of Russia and Harbin has formally begun. On the afternoon of 8 November, the Chita city government delegation and the economic and trade delegation led by Mr. Youerqinke Fei A [name as transliterated], first vice mayor of Chita city government of Chita Oblast of Russia, arrived in Harbin on the first chartered flight from Chita of Russia to Harbin of China. The ceremony to welcome the first chartered flight was held at the airport.

The opening of the air route for the direct chartered flight has opened up the shortest air channel from Harbin city to Chita city and provided conveniences for economic and trade cooperation, scientific, technical, and cultural exchanges, and development of tourist undertakings between the two cities and between Heilongjiang Province and Chita Oblast.

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Northeast Asia

Vice Premier Zou Jiahua Meets Japanese Officials

Meets Planning Official Tanaka

OW2511144894 Tokyo KYODO in English 1420 GMT
25 Nov 94

[FBIS Transcribed Text] Beijing, Nov. 25 KYODO—Vice Premier Zou Jiahua has told a senior Japanese Government official that China is attaching importance to inflation control.

Tsutomu Tanaka, vice minister of Japan's Economic Planning Agency (EPA), said Friday [25 November] that Zou made the remark in a meeting Wednesday with him.

Tanaka is in Beijing for regular economic consultations with officials of the State Planning Commission on Thursday and Friday.

He quoted the vice premier as saying that an increase in money supply resulting from continued high-level growth and the transition to a market economy, as well as a rise in grain prices in the wake of natural disasters are boosting inflationary pressures in China.

Zou told Tanaka the government is carrying out fiscal and monetary measures and adjusting supply and demand to cope with the pressures.

More on Meeting

OW2611141094 Tokyo MAINICHI SHIMBUN in
Japanese 26 Nov 94 Morning Edition p 9

[By Tokuichiro Amitani]

[FBIS Translated Text] Beijing, 25 Nov—The "12th Japan-China Consultations on Economic Affairs," a regular conference between Japan and China, was held in Beijing on 24-25 November with Tsutomu Tanaka, administrative vice minister of the Economic Planning Agency, and others attending. The Japanese participants and officials of the Chinese State Planning Commission exchanged views on the current situation in the two nations and their future prospects. Participants from China, which is currently being troubled with overheated inflation, showed keen interest in Japan's experiences gained during the bubble economy.

The Chinese participants said: "Macro control measures based on the principle of market economy have been effective to a certain extent. However, the most important issue is how to suppress inflation." The Chinese officials disclosed that although the target of suppressing inflation was set at the 10-percent level by the National People's Congress last March, prices have continued to rise at the rate of over 20 percent. Furthermore, they also disclosed that China has a pile of problems on its plate.

For example, there are problems connected with deficit-ridden state-run enterprises, with expanding regional differences in economy, and with financial and economic reforms.

Sees 'Soft Landing' as Major Task

OW2811055194 Tokyo KYODO in English 0452 GMT
28 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 28 KYODO—The Chinese Government believes that bringing China's overheated economy to a "soft landing" is the biggest task at the moment, a senior official of Japan's Economic Planning Agency (EPA) said Monday [28 November]. Tsutomu Tanaka, EPA vice minister, made the comment after arriving home from Beijing where Japan-China economic talks were held.

During the Beijing visit, Tanaka said he was told by Chinese Vice Premier Zou Jiahua that China also wants to restrain domestic demand through fiscal measures to control inflation. Consumer prices in China have jumped 21.3 percent since January, according to official figures.

During the bilateral economic talks, officials of China's State Planning Commission said the nation's economy is likely to grow 11.4 percent this year over the previous year, Tanaka said.

Rong Yiren Meets Tanaka

OW2511132494 Beijing XINHUA in English 1254
GMT 25 Nov 94

[FBIS Transcribed Text] Beijing, November 25 (XINHUA)—Chinese Vice-President Rong Yiren met here today with a delegation from the Kyoto office of the Association for the Promotion of International Trade of Japan, headed by its President Takao Tateishi.

This is the second delegation to China from the Japanese organization.

Extending a welcome to the visitors, Rong expressed his appreciation for the contributions of the Kyoto office to the promotion of Sino-Japanese friendly relations and bilateral trade since it was founded in 1954.

The vice-president said that the Kyoto office and the China Council for the Promotion of International Trade (CCPIT) enjoy good co-operative relations, adding that he hoped that the two sides would make joint efforts to push forward bilateral trade as well as the friendly co-operative relations in other aspects between the two countries.

Briefing the visitors on China's domestic situation, Rong said that China's economy has witnessed great development in recent years. Positive results have emerged from the reforms of the foreign currency and foreign trade systems this year, he added.

Touching on the inflation problem in China, Rong said that in dealing with the problem, China has been using macro-control measures.

The focal point of China's economic development is to strengthen construction in transportation, energy and telecommunications, and the technological transformation of the state-owned enterprises, Rong said, adding that Japanese businessmen are welcomed to conduct further co-operation with China in these areas.

Tateishi expressed his admiration for the achievements China has made in its economic construction, saying that his delegation hopes to get to know more about this development through its current visit.

Zheng Hongye, president of the CCPIT, took part in the meeting.

The Japanese visitors are here as guests of the CCPIT, to seek opportunities for more Japanese enterprises to enter the Chinese market.

Report on Successful Sino-Japanese Printing Ink Venture

OW2811013594 Beijing XINHUA in English 0127 GMT 28 Nov 94

[FBIS Transcribed Text] Tianjin, November 28 (XINHUA)—The Tianjin Toyo Ink Company, a Sino-Japanese joint venture, is thriving in this port city in north China, as a result of fine co-operation between the investors.

By the end of October this year the joint venture, set up by the Tianjin Ink Company and the Toyo Ink Mfg Co. Ltd of Japan, had netted two million yuan (about 233,000 U.S. dollars) in profits since it was founded January 1 this year.

Chinese officials of the joint venture, the largest of its kind in China, said that the main reason behind the success lies in the adoption of a series of new systems, including the system of "all workers are equals".

For instance, it is common for a foreign staff member in many joint ventures in China to get a salary several times or even a dozen times that of a Chinese staff member. But in this company all staff members receive the same pay.

The Japanese managers of the joint venture said that privileges for the Japanese staff would lead to discontent and hamper efficiency.

Good co-operation between two sides has enhanced the rallying power of the joint venture. Within only half a year the company succeeded in developing a new type of offset ink, which has proved to have met world standards.

Products of the company now sell well in 51 countries and regions.

The joint venture has decided to invest an additional 26 million U.S. dollars in expanding production and enlarging its production capacity of offset ink and pigments to 10,000 tons and 2,900 tons a year, respectively.

The Toyo Ink Mfg Company is the largest of its kind in Japan. It also runs joint ventures in northeast China's Liaoning Province and south China's Guangdong Province.

Koreans Seek Ties With Japanese Municipalities

OW2511135294 Tokyo KYODO in English 1315 GMT 25 Nov 94

[FBIS Transcribed Text] Beijing, Nov. 25 KYODO—China's ethnic Korean minority in northeastern Jilin Province is seeking friendship ties with Japanese towns and cities, according to Japanese diplomats.

Officials from the Korean Autonomous Prefecture of Yanbian on the Chinese border with North Korea and Russia have asked the Japanese consulate general in Shenyang, some 700 kilometers northeast of Beijing, for help in finding suitable partners in Japan.

The Koreans reportedly hope to establish ties with municipalities that are home to more than half a million people.

The autonomous prefecture covers a 42,700-square kilometer territory and has a population of about 2.12 million people, of whom 850,000 are of Korean descent.

The Koreans are said to have a keen interest in Japan, which is underlined by the fact that more than half of the prefecture's Korean junior and senior high school students study Japanese.

The prefecture is also likely to profit from a multinational development project along the lower course of the Tumen River, where the U.N. Development Program (UNDP), in cooperation with China, North Korea and Russia, is promoting the establishment of a free economic zone.

DPRK Civil Aviation Group Visits Jilin Province

SK2811070094 Changchun JILIN RIBAO in Chinese: 15 Nov 94 p 1

[FBIS Translated Text] A delegation of the Civil Aviation Administration of the DPRK, headed by Chon Chol-ho, was invited to visit Jilin Province. It arrived in Changchun on 7 November.

On the evening of 14 November at the Nanhu Guesthouse, Quan Zhezhu, vice governor of the Jilin Provincial Government, met with all members of the delegation. The hosts and guests held talks in a cordial and friendly atmosphere. Quan Zhezhu expressed his warm welcome to the guests, and introduced to them our province's geographic position and industrial and agricultural situation. He recalled the warm reception he was

given during his visit to Pyongyang last summer. He hoped the delegation would pay a successful visit this time.

Chon Chol-ho, head of the delegation, expressed thanks to Vice Governor Quan Zhezhu, and expressed his willingness to promote the economic cooperation between the DPRK and China.

Liang Jichang, chairman of the provincial foreign affairs office; You Guo, director of the provincial foreign trade department; and responsible persons of concerned departments attended the meeting.

CPPCC Chairman Meets ROK Delegation in Beijing

OW2511131494 Beijing XINHUA in English 1218 GMT 25 Nov 94

[FBIS Transcribed Text] Beijing, November 24 (XINHUA)—A top Chinese leader said here today that the key to the issue of the Korean peninsula lies with the people of the Korean peninsula themselves.

Li Ruihuan, chairman of the Chinese People's Political Consultative Conference (CPPCC) National Committee, made the remark at a meeting with a delegation of celebrities from the Republic of Korea (ROK).

"China has always held that the south and the north side of the Korean peninsula should resolve their existing differences through dialogue on a equal basis," Li said.

"External and other countries' positive roles are important under certain conditions," he said. However, "the key to the issue of the Korean peninsula lies with the Korean people themselves."

The CPPCC chairman noted that China, focusing on economic construction, needs a stable and peaceful environment.

"We sincerely hope that the Korean peninsula will maintain peace and stability," he said.

Li said the Chinese Government attaches importance to Sino-ROK ties and is satisfied with their development.

China hopes to further push forward the existing friendly relations and co-operation with the ROK, Li told the guests, led by Kim Myung-yoon, senior vice-president of the ROK's Advisory Council on Democratic and Peaceful Reunification.

Li noted that bilateral relations have been growing smoothly, and co-operation has been conducted in many fields although it has not been very long since the two countries established diplomatic ties.

In particular, Li said, the exchange of visits between high-level leaders of the two countries has played a big role in promoting bilateral ties and co-operation.

He said he hoped the contacts and co-operation between the two sides would be promoted.

Li added that the economies of China and the ROK are mutually complementary, and China can learn from the many successful experiences of the ROK.

China has introduced some projects and technologies from the ROK in the recent years, and many of them have proved to cater to China's needs.

He pointed out that to develop co-operation with the ROK is part of the demands of China's policy of reform and opening to the outside world and economic growth.

Kim echoed Li in saying that the co-operation between his country and China has been growing smoothly.

According to Kim, the total trade volume between the ROK and China is expected to surpass 12 billion U.S. dollars-worth this year.

He expressed satisfaction over this development and said he hoped that co-operative ties would be expanded continuously.

The Advisory Council on Democratic and Peaceful Reunification is a consultative body to the ROK president.

Kim and his party arrived here Tuesday [22 November] as guests of the Chinese People's Institute of Foreign Affairs.

During their stay in Beijing they have had meetings with Vice-Premier Li Lanqing, Vice-Chairman of the National People's Congress Standing Committee Chen Muhua and President of the Chinese People's Institute of Foreign Affairs Liu Shuqing.

Southeast Asia & Pacific

NPC Vice-Chairman Meets Malaysian Entrepreneur

OW2611142794 Beijing XINHUA in English 1351 GMT 26 Nov 94

[FBIS Transcribed Text] Beijing, November 26 (XINHUA)—Vice-Chairman Cheng Siyuan of the Standing Committee of the Chinese National People's Congress (NPC), met here today with Malaysian entrepreneur Chong Woo-pong and his party.

Cheng, on behalf of the China Society for International Celebrities Study, also awarded Chong the title of "world celebrity".

During the meeting, Cheng spoke highly of Chong's contributions to the cultural and educational development in both Malaysia and China, adding that Chong has devoted himself to social welfare and charities.

Born in Guangdong Province, Chong, 78, has been in Malaysia since he was nine years old. There are now a dozen enterprises to his name.

Over the past several years, Chong has donated a total of 20 million yuan to his native county of Jiexi in Guangdong Province.

NPC's Wang Hanbin Visits Philippines

Meets Senate President

OW2611104694 Beijing XINHUA Domestic Service in Chinese 1415 GMT 21 Nov 94

[By reporter Wang Jiansheng (3769 1696 3932)]

[FBIS Translated Text] Manila, 21 Nov (XINHUA)—Edgardo Angara and Shahani, respectively president and vice president of the Philippine Senate, today met here with Wang Hanbin, vice chairman of the Chinese National People's Congress [NPC] Standing Committee, who is on an official goodwill visit to the Philippines. They held frank and friendly talks.

Wang Hanbin said: China and the Philippines are friendly neighbors separated by a narrow sea. Peoples of the two countries have maintained close and friendly relations for a long time. As China is currently striving to facilitate economic construction, it need a peaceful and stable environment at home and abroad. Therefore, China is attaching very great importance to developing friendly and cooperative relations with the Philippines and other members of the Association of Southeast Asian Nations.

When commenting on issues of the South China Sea, Angara indicated that the Philippines supports China's proposal on setting aside the dispute over sovereignty and carrying out joint development. Wang Hanbin pointed out: China has always advocated settling the territorial dispute over the South China Sea through peaceful means. He reiterated that before the dispute over sovereignty is resolved, various relevant parties can explore ways to jointly develop resources in the region.

Angara expressed his concern for the future of about 120,000 Filipinos working in Hong Kong after China resumes its sovereignty over Hong Kong in 1997. Wang Hanbin indicated that the status of Filipino workers in Hong Kong will not be affected after Hong Kong returns to Chinese administration, and that China is in favor of allowing Filipinos to work in Hong Kong after 1997 because it benefits all parties concerned.

During their talks, Shahani expressed her hope that the two governments should strengthen trade cooperation and strive to resolve the existing trade imbalance between the two countries. Wang Hanbin said: The Chinese Government pays very close attention to the issue, and will study ways to import more goods from the Philippines. Meanwhile, China hopes the Philippines will supply more saleable commodities to China. He said: Both China and the Philippines are developing countries and are striving to develop their respective economies. Consequently, the prospects for developing bilateral economic cooperation are very bright. He

added: China and the Philippines should not only resolve the trade imbalance issues, but should also make more efforts to expand bilateral trade and economic cooperation.

Shahani extended her support to China for hosting the Global Women's Congress in 1995. She said: Filipino women delegates are expecting to join the grand meeting in Beijing. Wang Hanbin indicated: The Chinese people and women will warmly welcome the Filipino women's delegation to join the Global Women's Congress in Beijing.

Wang Hanbin also invited Philippine Senate leaders, including Angara and Shahani, to visit China at their convenience in 1995. Angara expressed his gratitude for the invitations and happily accepted the invitations on behalf of the Philippine Senate. Wang Hanbin also presented as a gift to the Philippine Senate a collection of Chinese laws and regulations adopted by the NPC since 1979.

Meets President Ramos

OW2711061994 Beijing XINHUA Domestic Service in Chinese 0839 GMT 23 Nov 94

[By reporter Wang Jiansheng (3769 1696 3932)]

[FBIS Translated Text] Manila, 23 Nov (XINHUA)—Today, Philippine President Ramos met Wang Hanbin, vice chairman of the Chinese National People's Congress [NPC] Standing Committee, who is currently visiting here, at the presidential office. Both sides held a cordial, friendly conversation.

Ramos said the Philippines and China are friendly neighbors and their ties and contacts have continuously increased in recent years. He said, taking advantage of the recent informal summit of Asia-Pacific Economic Cooperation leaders, he and Chinese President Jiang Zemin held bilateral talks. In addition, the Philippines received many senior Chinese Government officials and NPC leaders, including Chairman Qiao Shi, and many Chinese entrepreneurs. He paid a state visit to China last year. Ramos said such high-level exchanges of visits are conducive to promoting continuous development of friendly cooperation between the Philippines and China. He said he believed Wang Hanbin would achieve complete success in his Philippines visit.

Wang Hanbin said: Both China and the Philippines are developing countries and are making all-out efforts to develop their economies and improve the people's living standards. Under President Ramos' leadership, the Philippines has embarked on a road that leads to political stability and sustained economic development. The Chinese people are very pleased with this.

Wang Hanbin conveyed President Jiang Zemin's and Chairman Qiao Shi's kind regards to Ramos. He also

expressed sympathy and solicitude for victims of a strong earthquake that recently occurred in the Philippines.

Wang Hanbin and his party are scheduled to leave Manila on 24 November for official, friendly visits to Laos and Vietnam.

Sino-Thai Grain Export Venture Launched in Liaoning

OW2811101194 Beijing XINHUA in English 0817 GMT 28 Nov 94

[FBIS Transcribed Text] Shenyang, November 28 (XINHUA)—The first Sino-foreign joint venture directly dealing with the export of grain has been set up in Panjin city, in northeast China's Liaoning Province.

The Jinyuan International Cereals Co. Ltd is a joint venture among Liaoning, Hong Kong and Thailand.

This is the first project built with overseas investment for the production of high-quality farm produce and the largest green food producer in China.

The project involves an investment of 9.5 million U.S. dollars, which was used for improving 66,600 ha of low-yield fields and purchasing imported processing equipment and green food planting technology.

As the first phase has been completed, the grain base can turn out 90,000 tons of rice annually, two-thirds of which is for export.

An agricultural expert said that the founding of the joint venture sets a good example for the combination of agriculture, industry and trade. It will give an impetus to the production of high-quality farm produce and green food in China.

Vietnam Politburo Member Meets Trade Union Delegation

OW2711055594 Beijing XINHUA Domestic Service in Chinese 1529 GMT 25 Nov 94

[By reporter Zhang Jiaxiang (1728 0502 4382)]

[FBIS Translated Text] Hanoi, 25 Nov (XINHUA)—Vu Oanh, member of the Communist Party of Vietnam Central Committee Politburo, met with a Chinese delegation of trade unions led by Li Qisheng, alternate member of the CPC Central Committee and vice president of the All-China Federation of Trade Unions here today.

During the meeting, Vu Oanh said: The friendship and sentiments between the Vietnamese and Chinese peoples were fostered over a long historical process and nurtured by President Ho Chi Minh and Chairman Mao Zedong themselves. All of us should make efforts to develop such friendship.

He said: President Jiang Zemin brought the Chinese people's friendship with him in his recent formal, friendly visit to Vietnam. The delegation of Chinese trade unions' visit is conducive to strengthening and developing such friendship and promoting mutual interchange and cooperation.

Vu Oanh said: Vietnam and China have encountered many similar situations. China started reform a few years earlier than Vietnam did. Vietnam attaches great importance to China's experiences and has learned a lot from them.

Li Qisheng said: Though the Chinese trade union delegation has been here for only a short time, it has seen that the pace of Vietnam's reform and opening up is very fast. In many ways, they have made worthwhile learning from China. In the future, Chinese and Vietnamese trade union organizations must strengthen interchanges, conduct extensive cooperation, and progress simultaneously.

The person in charge of the Vietnamese Workers Federation and Chinese Ambassador to Vietnam Zhang Qing were present at the meeting.

The Chinese trade union delegation arrived at Ho Chi Minh City on 16 November to begin its visit at the invitation of the Vietnamese Workers Federation. The Chinese delegation is scheduled to leave Hanoi for home on 28 November.

Newsletter Views Jiang's Visit to Cigarette Plant

OW2611112094 Beijing XINHUA Domestic Service in Chinese 1631 GMT 21 Nov 94

[Newsletter by reporters Hu Suojin (5170 6956 6930) and Zhang Jiaxiang (1728 0502 4382): "May the Flowers of Sino-Vietnamese Friendship Bloom More Beautifully"]

[FBIS Translated Text] Hanoi, 21 Nov (XINHUA)—The weather of Hanoi in November was warm and sunny and the sunshine was bright. Accompanied by Nguyen Canh Dinh, head of the Vietnamese accompanying team and Vietnamese minister of water conservancy, Chinese President Jiang Zemin, who was on an official visit here, arrived in the Shangting [name as transliterated] Industrial Zone by car this afternoon. The industrial zone is located in Hanoi's southern suburban area. President Jiang Zemin visited Hanoi's Shenglong [name as transliterated] Cigarette Plant with keen interest.

Shenglong Cigarette Plant was a project aided by China back in the 1950's. It has become the largest cigarette plant in north Vietnam and one of the four largest cigarette plants in the entire country.

Today, the newly-decorated Shenglong Cigarette Plant is full of a festive atmosphere. Colorful flags were fluttering on top of the plant's main building. Chinese and Vietnamese national flags were dancing in the breeze. On the

gate to the plant's main building, a large poster announcing "Warmly Welcome General Secretary Jiang Zemin To Visit Vietnam" in both Chinese and Vietnamese was more prominent in the sunshine.

At 0345 local time in the afternoon, the motorcade of Jiang Zemin and his party drove through the plant gate slowly. Dang Vu Chu, Vietnamese minister of light industry, and Fan Wen [name as transliterated], general manager of Shenglong Cigarette Plant, who were waiting at the gate, walked quickly toward President Jiang Zemin. They shook hands and greeted one another. Vietnamese girls wearing ethnic dresses presented fresh flowers to President Jiang Zemin.

In the plant's VIP room, Jiang Zemin listened to a plant official's briefing on the production and operations of the plant, which has converted to a market-based system recently.

Shenglong Cigarette Plant produces 150 million packs of cigarettes every year. The profits provided by the plant to the government exceed those of other state-owned enterprises in north Vietnam. In 1993, the plant provided 132 billion dong (about \$12 million) to the government, and it is expected to turn over 164 billion dong (about \$15 million) to the state this year. The average income of workers in this plant is \$70 per month. This plant is one of the most profitable state-owned enterprises in Vietnam.

Jiang Zemin was very concerned about Shenglong Cigarette Plant's cooperation with China. In 1993, the plant brought in a set of modern tobacco-cutting equipment that meets world standards from China's Yunnan Ship Group. At the same time, it bought two machines that manufacture cigarette filters and hard packs. The tobacco-cutting equipment was put into operation in the beginning of this year, producing 2,500 kilos of cut tobacco per hour. This is currently the most modern cigarette production line in Vietnam.

After hearing the briefing, President Jiang Zemin said happily: "I am very pleased to see your plant's progress. It is good for you to introduce equipment from China for tobacco cutting and manufacturing filters. I wish you success."

Then, with great interest, President Jiang Zemin watched the cigarette-cutting production line brought in from China. The cigarette-cutting workshop was full of noise from machines and permeated with the strong smell of tobacco. President Jiang took off his suit coat and wore a white shirt while earnestly watching the automatic production procedure.

President Jiang approached a young female worker and asked her about how long she had been with the plant and how her family was. After that, he said to Fan Wen: "This is your backbone force."

President Jiang Zemin also observed the use of packing equipment introduced from the United Kingdom and Germany.

At the end of his visit, President Jiang Zemin inscribed a message in the visitors' book: "May the Flowers of Sino-Vietnamese Friendship Bloom More Beautifully."

Editorial Hails Jiang Zemin Visit to Vietnam

HK2811063594 Hong Kong WEN WEI PO in Chinese
25 Nov 94 p A2

[Editorial: "New Development in Friendly Sino-Vietnamese Relations"]

[FBIS Translated Text] After winding up his visit to Vietnam, Jiang Zemin, general secretary of the CPC Central Committee and Chinese state president, returned to Beijing last Tuesday. His visit's itinerary and achievements, as well as the signing of the "Sino-Vietnamese Joint Communiqué," have proven that the visit was a complete success. Jiang's visit has succeeded in pushing friendly Sino-Vietnamese relations to a new stage and a new level.

Ever since Vietnam proclaimed its independence and the PRC was founded, China and Vietnam all along have maintained relatively friendly relations. Nevertheless, Sino-Vietnamese relations once sank to a low ebb in the late 1970s and early 1980s, for reasons known to all. Once Vietnam had withdrawn its troops from Cambodia and begun implementing an innovation-opening up line, Sino-Vietnamese relations began to thaw. Nguyen Van Linh, general secretary of the Vietnamese Communist Party [VCP], paid a visit to China in 1990, and held talks in Chengdu with Jiang Zemin, thereby creating a good atmosphere for the restoration of Sino-Vietnamese relations. After the Seventh VCP Congress in 1991, VCP General Secretary Do Muoi and Council of Ministers Chairman Vo Van Kiet jointly led a Vietnamese party and government delegation to China, where they held high-level talks with Chinese leaders. As a result, Sino-Vietnamese relations were normalized.

Sino-Vietnamese relations merit attention for the following reasons:

1. The two countries have had border disputes, particularly disputes concerning territorial waters. In 1991, the two sides pledged to resolve territorial disputes peacefully and to settle the Beibu Gulf delimitation through negotiations. The latest Sino-Vietnamese summit once again stressed that the two sides will continue to conduct negotiations concerning territorial waters, and will strive to work out a fundamental, long-term, and mutually acceptable solution. Before disputes are settled, the two sides pledged, neither side will take action to further complicate or enlarge existing disputes; nor will they resort to force or threaten each other with force. Instead the two sides will take a cool-headed and constructive approach to the disputes, and resolve them properly in the end. Moreover, the two countries also vowed to prevent normal relations between the two countries from being impaired by differences of opinion. By so doing, the two sides have jointly formulated an extremely

important and pragmatic principle. By following this principle, the two sides are expected to have no more armed conflicts caused by border disputes, and thus normal bilateral relations will not be affected by differences of opinion or unforeseen incidents. This has shown unmistakably that Sino-Vietnamese relations and CPC-VCP relations have matured. Therefore, the two sides are expected to maintain stable relations for a long time to come.

2. Mutually beneficial economic and trade exchanges are part and parcel of Sino-Vietnamese relations. Even before the smoke of gunpowder had dissipated along the Sino-Vietnamese border, people on both sides of the border had spontaneously begun border trade. Later on, following the normalization of Sino-Vietnamese relations, border trade became more brisk; however, a series of problems also have cropped up in this area which await prompt, high-level solution by the Chinese and Vietnamese Governments. In order to raise the level of bilateral trade, ensure more coordinated and orderly bilateral trade, and bring more benefits to the two peoples, the two sides recently signed three agreements: the agreement on establishing a Sino-Vietnamese economic and trade cooperation committee, the agreement on vehicle transportation, and the agreement on quality guarantees and mutual attestation for import and export commodities. With these three agreements, Sino-Vietnamese economic and trade relations are bound to develop at a higher level and in a wider scope.

3. The two sides reaffirmed the following joint commitment contained in the "Sino-Vietnamese Joint Communiqué" signed in November 1991: The Vietnamese side reiterated that it will continue to uphold the position that there is only one China. Vietnam will develop only unofficial economic and trade relations, rather than official relations with Taiwan. As the Taiwan hierarchy has started implementing a so-called "southward advancement" policy, and Taiwan's investment in and trade with Vietnam are growing rapidly, it is all the more necessary for the Sino-Vietnamese summit to reiterate this position.

4. Jiang Zemin pointed out in Vietnam: As the two countries at the moment are carrying out reform and opening up, or innovation and opening up, China and Vietnam are encountering similar difficulties and problems. Therefore, the two sides have much in common, and should learn from and draw upon each other's experiences and practices, this being—he stated—at once a new characteristic of Sino-Vietnamese relations and another realistic basis upon which Sino-Vietnamese relations can develop.

Jiang Zemin's visit to Vietnam was a complete success. The development of friendly Sino-Vietnamese relations is bound to benefit not only the Chinese and Vietnamese peoples, but also peace and economic growth in the Asia-Pacific Region as a whole.

Qiao Shi Meets With Fijian Prime Minister

OW2711150594 Beijing XINHUA in English 1441
GMT 27 Nov 94

[FBIS Transcribed Text] Nadi, Fiji, November 27 (XINHUA)—Qiao Shi, chairman of the Standing Committee of the National People's Congress of China, today praised Fijian Prime Minister Sitiveni Rabuka for sticking to the one-China position.

Qiao is making a stopover in Fiji on his way home after he concluded an official visit to Brazil.

Meeting with Rabuka here this morning, Qiao said, "I am sure that facts will show that your visits to China and your adherence to the one-China stand are correct."

Rabuka visited China in September as the prime minister, following his first trip in 1990 when he was commander of the Fijian Armed Forces.

Qiao noted that the visit to China by Rabuka in September increased mutual understanding, strengthened friendship and friendly cooperation between the two countries and achieved positive results.

He said that as a country in the Asia-Pacific region, China stands for developing relations with nations in the South Pacific and hopes to boost economic ties with Fiji.

He hoped that Sino-Fijian relations will advance continuously and smoothly.

Prime Minister Rabuka, who came from Suva, the Fijian capital, to meet with Qiao Shi, expressed the belief that relations between Fiji and China will be consolidated in the future.

As a South Pacific country, he said, Fiji is pleased to see the development achieved by China.

He hoped that economic and trade ties between the two countries will become stronger and development in China will bring benefits to Fiji and other countries in the South Pacific.

Later, Qiao attended a luncheon hosted in his honor by Fijian Senate President Tu'uakita Cokanautu and House of Representatives Speaker Apenisa Kurisaqila.

Cokanautu, representing the Fijian Parliament and all lawmakers, made a speech to welcome Qiao's presence. He said Qiao's presence will be permanently staying in his mind.

Chairman Qiao reiterated that he hopes that the Sino-Fijian relations and the relations between the National People's Congress of China and the Fijian Parliament will develop continuously.

Qiao said that Sino-Fijian relations will surely register continuous growth on the basis of one-China policy.

Near East & South Asia**Li Peng Congratulates UN Conference on Palestine***OW2811070294 Beijing XINHUA in English 0630
GMT 28 Nov 94*

[FBIS Transcribed Text] Beijing, November 28 (XINHUA)—Chinese Premier Li Peng has sent a message of congratulation to the UN conference marking the international day of solidarity with Palestine to be held in New York, Geneva and Vienna on November 29.

Li said in his message that significant changes have taken place in the Middle East since the last conference, as Palestine has effected self-rule in Gaza and Jericho, a peace treaty has been signed between Jordan and Israel, and the Middle East-North Africa economic summit has been held in Morocco.

All these are positive achievements in the Middle East peace process and indicate a major step toward the restoration of the legitimate national rights to the Palestinian people and the realization of peace in the Middle East, he said.

He expressed his hope that the parties concerned in the Middle East will continue to take a flexible and pragmatic approach to work for an early restoration of Palestine's legitimate national rights and the realization of peace and development in the Middle East.

Li said that China will continue to make its own contribution, together with the international community, to the final settlement of the Middle East question, including the Palestine issue, in a comprehensive, fair and reasonable manner.

Nepali Congress Squabbles Delay New Government*OW2811080594 Beijing XINHUA in English 0717
GMT 28 Nov 94*

["Roundup" by Lu Xiangming]

[FBIS Transcribed Text] Kathmandu, November 28 (XINHUA)—A new government is still pending in Nepal four days after the result of the general election to the House of Representatives (lower house) was declared last Thursday [24 November] mainly due to the squabbles inside the Nepali Congress (NC).

A multiple-choice new government appeared in the country since no political party commands a clear majority in the 205-seat lower house following the mid-term polls, which was recommended by Prime Minister Girija Prasad Koirala in July of this year.

The Communist Party of Nepal (UML) secured 88 seats becoming the largest political party of the country, the Nepali Congress (NC) 83 seats ranking second, Rastriya

Prajantra Party (RPP) 20 seats ranking third and the rest seats went to other small parties and independents.

Under such circumstances, it is impossible for one party to form its government, coalition or minority, without the support of other parties.

In the beginning, the Communist Party of Nepal (UML) as the largest political party is the most promising party to form a new government with the senior leaders from both the Nepali Congress and Rastriya Prajatantra Party (RPP) expressing their support for a UML minority government when the Communist Party consulted the two parties on the new government.

However, the younger generation of the NC leadership is reluctant to see a UML government lest the Nepali Congress be weakened under the UML government.

The NC younger generation prefers to organize an NC-led coalition rather than giving up power.

The Nepali Congress held two rounds of its central working committee (CWC) meeting so far without reaching any consensus.

Analysts here were of the opinion that the formation of a new government was delayed by the Nepali Congress since it could neither give its support to the Communist Party of Nepal nor get support from the others due to disagreements in the party.

And the favorable opportunity for the Communist Party of Nepal (UML) to form its minority government in the beginning seems to be held down accordingly under such a complicated situation.

Now the negotiations are still under way between the Nepali Congress, the Communist Party of Nepal (UML) and the Rastriya Prajatantra (RPP) on forming a new government.

But the NC-UML talks made no progress with CPN [Communist Party of Nepal]-UML determined to form its own government and refused to forge an NC-led alliance.

The chance for a NC-RPP coalition is also slim although an NC spokesman said Sunday that the talks with RPP went ahead positively because the RPP parliamentary party's meeting decided last Friday to sit in the opposition.

Local observers and public opinion here agree that a UML minority government will be the last choice sooner or later while the congress efforts to form a government will turn out to be a sort of delaying tactics.

Firm To Provide Equipment for Pakistani Power Plant*OW2711152794 Beijing XINHUA in English 1510
GMT 27 Nov 94*

[FBIS Transcribed Text] Islamabad, November 27 (XINHUA)—China International Water and Electric

Corp. (CIWEC) and Pakistan Suzuki Cement Ltd. signed here today an initial contract for the construction of two 25 megawatt power plants at Haripur, some 60 kilometers from Islamabad.

Ma Qibu, vice president of the Chinese company, said at the signing ceremony that the formal contract would be signed in Beijing next month.

China will provide all the equipment and technology for the project which will be executed on turn-key basis.

He assured the Pakistan partner that the Chinese company would complete the project in time with best quality.

Since 1980, CIWEC has completed over 200 projects, mainly water and power projects, in the world with a total volume of one billion U.S. dollars.

West Europe

XINHUA Views NATO's 'Dilemma' on Bosnian Issue

OW2611085094 Beijing XINHUA in English 0725
GMT 26 Nov 94

["News Analysis" by Kang Xinwen: "NATO in Dilemma on Bosnian Issue"]

[FBIS Transcribed Text] Brussels, November 25 (XINHUA)—The North Atlantic Treaty Organization (NATO) is finding itself in a dilemma on the Bosnia issue as it failed Thursday [25 November] to agree on specific harsher moves proposed by the United States after its biggest military actions against the Serbs earlier this week.

The NATO council turned down a radical U.S. proposal for more forcible strikes on Bosnian Serbs after 10 hours of urgent consultations among 16 ambassadors.

But they reasserted their rights to carry out more air strikes against Serb troops who violate UN regulations governing the UN safe areas.

On Monday and Wednesday, NATO launched three air raids on the military positions in the Serb-held Krajina of Croatia and in Serb-controlled northwest Bosnia in reaction to the latest Serb air attacks against the Muslim-populated UN safe area of Bihac.

This is the biggest NATO air strike on Serbs since Bosnia was plunged into war in April 1992 and also the largest military operation by NATO in its 45-year history.

NATO defends its Monday bombings on Udbina Airport in Krajina as "backing the UN Protection Forces (UNPROFOR) in Bihac" because Udbina was allegedly used by Serb planes to raid the Muslim enclave, which "poses a serious threat to the security of the UNPROFOR."

Western allies describe their bombings of Serbs' Otoka base Wednesday as "an act of self-defense" because the surface-to-air missile site "blocked NATO's aircraft in their reconnaissance flight." Two British planes narrowly escaped a missile attack over Bosnia on Tuesday.

With NATO's growing involvement, analysts' fears are coming true that it will "spread the Bosnian war flames and lead to a more complicated situation in the former Yugoslavia."

One fact was that the NATO's bombings on Serb positions have now drawn neighboring Croatia into the Bosnian war.

Meanwhile, Serb leaders in Krajina have condemned NATO's air strikes on their positions, which, they warned, will escalate the conflict in the former Yugoslavia.

"NATO's hostile acts will not shake the determination of the Serbs in Krajina to defend their state sovereignty," they declared.

Fires and blood have been tearing apart the Balkan region for almost 1,000 days and still show no signs of a quell even after intervention by Western powers.

Fighting has been intensified in Bihac, a U.N.-designated "safe area" in northwest of Bosnia, since Muslim forces started their new offensives against Serb troops in the area following a unilateral U.S. decision earlier this month to stop enforcing a UN arms embargo on Bosnia.

In return, the Serbs launched counter-offensives and quickly encircled Bihac, where some 1,200 Bangladeshi UNPROFOR troops are trapped. News reports said that Serb forces have virtually occupied Bihac and its vicinity.

The U.S. Government, watching the fire across the ocean with no ground engagement, is now pouring fuel to the flames by allowing the Muslims to be armed and by urging stronger NATO attacks on the Serbs.

But its Western allies, which are much nearer to the war-ridden Bosnia and do have a considerable number of troops there, cannot afford to be as resolute as "Uncle Sam" and have to be a little more restrained and cautious in their diplomacy.

With the transatlantic gap now appearing wider than ever, NATO has found itself caught between the devil and the deep sea.

By launching impressive attacks on Bosnian Serbs, NATO tried to prove to the U.S. its independent ability in solving the conflict and also hoped to deter the Serbs from retaliating against the Muslim enclave of Bihac.

But it wavered on a tougher action for fear of an angry Serb reprisal, which would undoubtedly put the Western-dominated peacekeeping troops into danger.

Difference in interests has thus held NATO back from endorsing the U.S. plan of "harsher moves" and resulted in another NATO statement to "support all diplomatic efforts" on the Bosnian issue, which, it said, can only be solved "through negotiations."

Germany Aids Chiang Jiang Shelter-Forest Project

OW2611023594 Beijing XINHUA in English 0203
GMT 26 Nov 94

[FBIS Transcribed Text] Nanchang, November 26 (XINHUA)—Germany is helping east China's Jiangxi Province to build shelter-forests along the banks of the Chang Jiang river, China's largest river system.

The German Government has provided 12 million Deutsche marks for the project.

The project, stretching for 30,000 ha across six cities and counties in the province, will cost a total of 99 million yuan.

The project, approved by the State Planning Commission, aims at improving the ecological environment in this region.

German Company Begins Investing in Shanghai

OW2811094994 Beijing XINHUA in English 0744
GMT 28 Nov 94

[FBIS Transcribed Text] Shanghai, November 28 (XINHUA)—An agreement for the German Hoechst Company to invest 28.59 million U.S. dollars to construct a spunbond nonwoven production project was signed here today.

This will be the first time for a German company to pump cash into China's textile industry.

Hoechst will join hands with the China Huayuan Industrial Corporation Ltd and the China New-Type Building Materials Group Company to build a base for non-wovens in Qingpu county.

After it is completed, the joint venture will have an annual production of 4,500 tons of spunbond non-wovens.

Officials from the China National Textile Council said that opening of the joint venture will benefit the development of textiles and the upgrading of the technology for producing waterproof building materials in China.

The Hoechst Company is the biggest corporation in Germany in the fields of chemicals, pharmaceuticals and chemical fibers.

Iceland Prime Minister Arrives in Beijing

OW2711020294 Beijing XINHUA in English 0104
GMT 27 Nov 94

[FBIS Transcribed Text] Beijing, November 27 (XINHUA)—Prime Minister David Oddsson of the Republic of Iceland arrived here this morning, beginning his 7-day first official visit to China.

The Iceland guesis were greeted at the airport by Zhang Hongren, chairman of the Chinese Government's Reception Committee and vice-minister of geology and mineral resources, and Vice Foreign Minister Tian Zengpei.

Accompanying the prime minister on his visit are Secretary-General of the Prime Minister's Office Olafur Davidsson, Chairman of the National Trade Commission Pall Sigurdjonsson and other senior officials.

UK Cooperates in Patent Protection

OW2711110194 Beijing XINHUA in English 0711
GMT 27 Nov 94

[FBIS Transcribed Text] Beijing, November 27 (XINHUA)—The British Government has recently presented the Patent Office of China (POC) with a special training package on patent management.

The presentation followed the cooperation programs launched by the two countries' patent administrations in London last month.

Including some laser discs and course manuals, the training package—presented by the British Ambassador Leonard Appleyard—gives an account of the protection system of intellectual property in the United Kingdom, the assessment and exploitation of new products and use of patent rights.

A related source disclosed that the two countries' patent administrations have reached an agreement last October to hold regular director general-level talks, as well as to further strengthen personnel and information exchange.

Statistics show that the number of British patent applications in China has surpassed 2,200, ranking sixth among all the foreign nations and regions.

Moreover, the figure of applications from Hong Kong is more than 2,500, holding the fourth position after the United States, Japan and Germany.

Wu Xiangwen, director of the POC's International Cooperation Division, noted that the decade-long cooperation between China and European nations has benefited the country's patent law making, document collecting and information network building.

At present the POC has extended focus to upgrading information-retrieval automation and perfecting domestic judicial system. So, "the cooperation between China and Britain and other European countries boasts a bright prospect," commented Wu.

The POC director general, Gao Lulin, is reported to have explained China's patent policies to British entrepreneurs and patent lawyers at a symposium in London, jointly sponsored by the British Patent Office and the European Patent Office in mid October.

Representatives from a renowned British publisher, the Dwight Patent Document Press House, will sign a cooperation agreement with the POC in Beijing next month, according a POC official.

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The cooperative programs are expected to cover document retrieval and management, information processing, translation and database development.

Latin America & Caribbean

Hu Jintao Meets With Chilean Guests 27 Nov
OW2711134094 Beijing XINHUA in English 1314 GMT 27 Nov 94

[FBIS Transcribed Text] Beijing, November 27 (XINHUA)—A leading official of the Chinese Communist Party (CPC) said here today that China attaches great importance to furthering its friendly relations with Chile, a major influential country in Latin America.

Hu Jintao, a Standing Committee member of the Political Bureau of the CPC Central Committee, commented on the bilateral relations during his meeting with Camilo Escalona, president of the Socialist Party of Chile.

The bilateral ties had undergone smooth development since the two countries established diplomatic relations 24 years ago, he said, adding that such ties had been enhanced in recent years with more high-level exchanges.

The meeting between Chinese President Jiang Zemin and his Chilean counterpart Eduardo Frei Ruiz-Tagle during the informal conference of the leaders from the Asian-Pacific Economic Cooperation organization has promoted the bilateral friendly cooperation in various fields, Hu added.

On the relations between the two parties, Hu, also the secretariat of the CPC Central Committee, said that the two parties, with a long history of friendly exchanges, shared many views in common in safeguarding world peace, promoting social development and furthering the bilateral ties.

Both the two parties would like to conduct exchanges and cooperations in line with the principles of independence, equality, mutual-respect and non-interference in each other's internal affairs, Hu said.

He said that the development of relations between the two parties would be beneficial to increasing the understanding of the two peoples, cementing the bilateral ties, and promoting world peace and development.

Escalona expressed his appreciation for China's long history of civilization and its achievements and experience made in half a century.

He also said that at present, Chile paid great attention to international relations and opening up to the Asian-Pacific region.

"We hope and believe that we can carry out extensive and in-depth exchanges and dialogues with China," he added.

After the meeting, Li Shuzheng, head of the International Liaison Department of the CPC Central Committee, held working talks with Escalona and his party.

The Chilean guests arrived here this morning at the invitation of Li's department.

NPC Chairman Qiao Shi Continues Visit to Brazil

Addresses Sao Paulo Luncheon

OW2711131694 Beijing XINHUA Domestic Service in Chinese 0706 GMT 25 Nov 94

[By reporters Liu Huorong (0491 3499 2837) and Wu Yongheng (0702 3057 1854)]

[FBIS Translated Text] Sao Paulo (Brazil), 24 Nov (XINHUA)—Today, Qiao Shi, chairman of the Chinese National People's Congress Standing Committee, who is currently on a visit here, delivered a speech at a luncheon hosted in his honor by the Industrial Federation of Sao Paulo State on the new situation of reform and opening up and the current economic situation in China.

Qiao Shi said: After China began implementing reform and opening up at the end of the seventies, it worked out a road of development suited to its national conditions. A series of correct principles and policies took shape through practice, and the productive forces were liberated and developed to a very great extent. Economic construction is full of vitality and vigor. China's 1993 gross national product [GNP] increased 280 percent from that of 1978, posting an average annual growth rate of 9.3 percent. People's lives improved noticeably, with an annual growth rate of 6.3 percent and 8.5 percent posted for national income per capita and rural residents' per capita income, respectively. China's total import and export trade volume increased 850 percent from that of 1978 to reach \$195.8 billion in 1993.

He said: A pattern of opening to the outside world has taken shape in all parts of China—from coastal areas to the hinterland. So far, China has set up five special economic zones, 32 economic and technical development zones, 52 new high-technology development zones, and over 300 local-level economic and technical development zones. The number of China's cities and counties open to the outside world has exceeded 900. China has become one of developing countries that has opened its doors to the widest extent to the outside world, providing a large area for foreign investment. At present, we are accelerating the development of Shanghai's New Pudong Area. Shanghai will become one of the international economic, trade, and banking centers in the not-too-distant future. Sao Paulo and Shanghai have forged ties of friendship. I believe there will surely be even broader prospects for the two large metropolises to expand their cooperation.

Qiao Shi said: There is a strong momentum for an increase in China's attracting foreign funds and making

use of them. As of the end of last year, China approved a total of 170,000 foreign investment projects with a total investment amount of \$227.2 billion from agreements signed with foreign businessmen, and a total investment amount of \$63.9 billion actually committed so far. This year, a new upsurge of foreign investment occurred again. Between January and April, China approved 24,000 foreign investment projects with a total investment amount of \$72.4 billion from agreements signed with foreign businessmen.

Qiao Shi said: At present, China is at a new historical stage of reform, opening up, and socialist modernization. Reform of business accounting and taxation, banking, foreign trade, foreign exchange, investment, price, and circulation systems; the establishment of a modern enterprise system at selective enterprises on a trial basis; and various other major reforms are making smooth progress. The national economy continues to maintain good momentum in its development. China's GNP posted a growth rate of 11.6 percent in the first half of this year. Of course, some problems that merit our attention have also emerged in the process of sustained, rapid economic growth. The Chinese Government is taking measures to strengthen and improve macroeconomic regulation and control. China will be able to solve all the problems confronting it through further deepening reform and opening up wider. He said he believed that China will surely be able to establish a socialist market economic system and to maintain rapid, healthy economic development for a relatively long period of time by working hard. Reform and opening up have vigorously promoted China's economic development, political stability, unity among various nationalities, and social progress. Reform and opening up are the road that China must take to strive for its national regeneration, and China will steadfastly follow it.

Chairman Qiao Shi said: China is a developing country endowed with tremendous economic potential. China's rapid economic growth provided new historical opportunities for the development of international trade as well as economic and technical cooperation in recent years. China's total import volume is estimated to reach \$1 trillion from now to the end of the century. The figure is sufficient to show the capacity and scale of the Chinese market. China has always attached importance to establishing and developing long-term, steady, and friendly cooperation with Latin American countries, including Brazil. China and Brazil are the largest developing countries in the Eastern and Western hemispheres, respectively. In the face of the two major themes of mankind—peace and development—China and Brazil have common interests and confront common challenges. China and Brazil achieved satisfactory successes in their friendly cooperation in various fields over the past 20 years after they had established diplomatic relations with each other. Brazil has become China's largest trading partner in Latin America. Their two-way trade volume reached \$1.05 billion last year. Economic and technical cooperation between the two countries

produced very good results. In particular, their high-technology cooperation in jointly researching and developing an earth resources satellite may be called a model of south-south cooperation. In addition, the two countries have made substantive progress in their cooperation in such fields as iron ore exploitation and hydropower. Chinese and Brazilian entrepreneurs have made positive contributions to the friendly cooperation between the two sides and conducted useful exploration and practices to expand economic cooperation and trade between the two countries.

Qiao Shi said: China welcomes visit by Brazil's industrialists and businessmen to discuss business, commit investments, set up factories, open up new channels and spheres for economic cooperation and trade, and continuously make new contributions to promoting friendly cooperation between the two countries.

Qiao Shi Departs Brazil

OW2511150394 Beijing XINHUA in English 1451
GMT 25 Nov 94

[FBIS Transcribed Text] Sao Paulo, November 25 (XINHUA)—Qiao Shi, chairman of the Standing Committee of the National People's congress of China, left here this morning at the end of an eight-day tour of Brazil.

The chairman has thus wound up his 24-day official and good-will visit to Oceania and South America, which also took him to New Zealand, Australia and Argentina, and is flying home via Fiji, where he is to stay for three days.

The trip is the first ever taken by an NPC chairman to the two regions since the founding of the People's Republic of China in 1949.

During his visit in Brazil, Qiao met with Brazilian President Itamar Franco, Senate President Humberto Lucena, president of the Chamber of Deputies Inocencio de Oliveira, President-Elect Fernando Henrique Cardoso and other officials on Sino-Brazilian ties and international issues of mutual interest.

In addition to Sao Paulo, the chairman has been to Rio de Janeiro, Brasilia and Foz do Iguassu, where he visited the Itaipu hydropower station, the biggest of its kind in the world.

'Roundup' Views Ties With Brazil

OW2511172994 Beijing XINHUA Domestic Service in Chinese 0424 GMT 17 Nov 94

["Roundup" by XINHUA reporter Wu Yongheng (0702 3057 1854): "China and Brazil Are Jointly Building the Bridge of Friendship and Cooperation"]

[FBIS Translated Text] Rio de Janeiro, 17 Nov (XINHUA)—In the middle of November, the weather in Brazil, which is located in the Southern Hemisphere, is

as warm and pleasant as spring. The warmhearted Brazilian people are expecting a visit by Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress.

China and Brazil are the two largest developing countries in the Eastern and Western Hemisphere, respectively. Although the two countries are geographically far apart, their levels of economic development are close, the two countries can supplement each other's advantages in developing their economies, and there are broad prospects for cooperation.

The current exhibition in Rio de Janeiro on the history of Chinese tea farmers has proven that, as early as in 1814, several hundred Chinese tea farmers came to Brazil to provide instructions on cultivating tea. This not only shows that the relationship between the two countries has existed for a long time, but also shows that Brazil is one of the first countries in South America to have contacts with China.

Since China began to implement its policy of reform and opening up, China and Brazil have been working together to build a bridge of friendship and cooperation, and the two countries have achieved a breakthrough in developing bilateral relations. In particular, the frequent mutual visits and direct contacts between leaders of the two countries at a high level have laid down a good foundation for developing friendship and cooperation between the two countries.

In Rio de Janeiro during a session of the 1992 World Conference on the Environment and Development, Premier Li Peng met with Brazilian leaders and had extensive contacts with people of various circles in Brazil. When President Jiang Zemin paid a state visit to Brazil in 1993, he put forward a proposal for establishing long-term, stable, and mutually beneficial relations and friendly cooperation between the two countries. Vice Premier Zhu Rongji and other Chinese party and government leaders, including Hu Jintao, have also visited Brazil. Brazilian ministers of aeronautics, foreign affairs, mines and energy, and science and technology visited China this year, successively.

Leaders of the two countries are looking into the future on the basis of their present relations, and have treated the development of bilateral relations with a strategic point of view. During his visit to Brazil, President Jiang Zemin pointed out that, as the two largest developing countries in Asia and Latin America, China and Brazil share a heavy responsibility for protecting world peace

and promoting the progress of mankind. The strengthening of cooperation based on mutual benefits and seeking common prosperity are not only in accord with the fundamental interests of the people of the two countries but are also major contributions to promoting South-South cooperation. Such cooperation is conducive to the noble cause of promoting the peace and progress of mankind. President Franco advocated the establishment of a strategic partnership between the two countries. He held that in the current international situation, China and Brazil are two important countries which will play a greater role in the 21st century.

The high attention of the leaders of the two countries has added a powerful motive force to the development of bilateral relations. Contacts between the two sides in economic, trade, science and technology, cultural, and other fields have become unprecedentedly active. Now China has set up scores of economic and trade companies in Brazil. Brazil has become China's largest trade partner in Latin America, with the volume of annual trade exceeding \$1 billion. In addition, China has also made investments in Brazil to set up iron smelting, lumber processing, bicycle, tractor accessories, and other industrial enterprises. Brazil has rich natural resources and has accumulated abundant experience in building large-scale hydroelectric power stations and other infrastructure projects. Several Brazilian companies are actively making preparations for taking part in China's Three Gorges Project, and more enterprises are aiming toward the Chinese market.

Noteworthy is the fact that China and Brazil are cooperating in the field of high technology. The project involving joint research, manufacturing, and launching of earth resource satellites by the two countries is viewed positively by the international community. It is reputed to be "the largest South-South cooperation." During President Jiang Zemin's visit to Brazil, the two countries signed a protocol on the peaceful use of outer space. In addition, the two countries can benefit from each other's strengths to offset individual weaknesses in deep-sea drilling, the construction of hydroelectric power stations, and telecommunications.

The Chinese economy, which has undergone 15 years of reform and opening up, is developing in a sustained, healthy, and stable manner. The Brazilian economy may also enter into a new period of development through readjustment. Public opinion in Brazil holds that the cooperation between two large countries in the Eastern and Western hemispheres can become a model for South-South cooperation in the world.

Political & Social**Jiang Zemin Promotes Shanghai, Shandong Proteges***HK2511050494 Hong Kong SOUTH CHINA MORNING POST in English 25 Nov 94 p 1*

[By Willy Wo-lap Lam]

[FBIS Transcribed Text] Chinese President Jiang Zemin has consolidated his hold over ideology and propaganda by giving his proteges more responsibility in this crucial arena. Chinese sources said more members of the so-called Shanghai and Shandong Factions in the leadership, which the President had co-opted, would be playing major roles in defining and propagating the party line. They said that the powers of Politburo member and Head of the Propaganda Department Ding Guangen had diminished as a result of the ascendancy of the Jiang cronies.

Former party secretary of Shandong Province Jiang Chunyun is expected to become a principal adviser to President Jiang on ideological and propaganda issues. This is despite the fact that Mr Jiang, who is expected to be made vice-premier next March, will officially be the Politburo member in charge of agriculture. Since Mr Jiang's transfer to the Central Committee Secretariat last September, the media has been suffused with articles and commentaries extolling achievements of Shandong in areas including industry, agriculture and tourism. Mr Jiang has been praised by party elders, including Deng Xiaoping and Chen Yun, for not having neglected "spiritual civilisation" while building up Shandong's economy.

Western diplomats in Shanghai believe more members of the municipal communist party committee and government would be transferred to senior propaganda positions in Beijing. They said with the recent increase in President Jiang's powers, the way might be clear for one of his key proteges, the vice party secretary of Shanghai in charge of ideology, Chen Zhili, to move to Beijing.

Political sources in Beijing said Mr Ding, 65, who had been considered close to President Jiang, could have run foul of the supremo on account of his having "special access" to patriarch Deng. A long-time bridge partner of Mr Deng, Mr Ding is one of the few who can visit the patriarch's house without appointment. The sources said President Jiang had become jealous of Mr Ding's "private channel" and that he had suspected the latter of having bypassed him when he talked to either Mr Deng or members of the Deng office and household. In recent months, members of the Deng family, particularly the daughters, had used avenues other than those controlled by President Jiang to relay instructions ascribed to the patriarch.

Mr Ding, who is responsible for the hard line imposed on cultural and publication circles since late last year, has

been out of the limelight since the October 1 National Day celebrations. This led to reports in the Hong Kong media that he had succumbed to a serious ailment. But an official from the Hong Kong branch of Xinhua (the New China News Agency) said reports about Mr Ding not being able to return to work were "pure rumours".

NPC Deputies 'To Question' Zhu Rongji on Economy*HK2611083194 Hong Kong HONGKONG STANDARD in English 26 Nov 94 p 1*

[By Wu Zhong]

[FBIS Transcribed Text] China's economic czar Zhu Rongji is likely to receive a tongue-lashing early next year over his performance.

Several unnamed deputies of the National People's Congress (NPC) intend to question Mr Zhu at the next session of the NPC.

They say Mr Zhu's performance over the past year has been "unsatisfactory" and "disappointing", according to a source close to the Beijing deputies.

"What he has been doing is actually trying to drag the economy back to the planned one," she quoted them as saying.

They would also question the effect of Mr Zhu's credit-tightening policy originally aimed at cooling the overheated economy and capping high inflation, the source said.

Inflation, however, has skyrocketed to record highs since last summer while economic growth has stopped, the deputies, who are said to be gathering support from fellow deputies, complained.

Mr Zhu would be challenged on his economic macro-level adjustment and control measures.

"His adjustment and control measures in fact are similar to the methods in a planned economy," the source quoted one of the deputies as saying.

Mr Zhu would be blamed for his failure to resolve the country's chronic "triangle of debts" problem as he had promised when he took charge of the country's economy.

In a meeting early this year, Mr Zhu said: "I'll cut his head off whoever dares to issue any white sheet (to acknowledge debts) for grain purchase from the peasants."

Mr Zhu later explained that he had meant to underscore the seriousness of the issue.

Despite the warning, the issuance of "white sheets" has remained a common practice, partly due to austerity measures.

But the source herself said it was unlikely that the credibility of Mr Zhu, once described as "China's Gorbachev" for his economic reforms, would be affected by such challenges.

Li Guixian at Central Organization Committee Meeting

OW2811022994 Beijing Central People's Radio Network in Mandarin 1100 GMT 16 Nov 94

[From the "National Hookup" program]

[FBIS Translated Text] The Central Organization Committee [COC] held a meeting in Zhongnanhai this morning to make arrangements for examining and assessing organizational reform. At the meeting, Li Guixian, COC vice chairman and state councillor, said: Examination and approval of the plan on fixing the functions, internal organs, and personnel of ministries and commissions, organizations under the State Council, working organizations, and state administration bureaus was completed by June 1994. Currently, various departments are functioning according to the plan. The COC affirmed that it will check and assess implementation of the plan by various departments at the end of 1994 and the beginning of 1995.

On work related to examination and appraisal, Li Guixian emphasized: First, we should grasp the key tasks to earnestly examine the changing of administrative functions. Second, we should take the initiative to coordinate so as to further straighten out relations. Third, we should conduct an examination according to the plan and tightly control organizational structure and the number of leadership posts. Fourth, we should strengthen leadership, make arrangements carefully, and make a success of self-examination and self-appraisal. Through examination and appraisal, various departments should thoroughly resolve problems cropping up in the reform of their organizations and present their ideas and thinking for deepening reform of the administrative and management systems and the organization in line with the guidelines of the 14th CPC National Congress and reality.

Li Guixian said: In principle, examination and appraisal should center on self-examination and self-appraisal. We should adopt an approach that combines departments' self-examination and self-appraisal with the COC General Office's selective examination and analysis. We should separately hold monographic forums or meetings for localities and enterprises on changing administrative functions, straightening out relations, dividing work among personnel, and deepening reform, so as to hear their viewpoints and suggestions. Li Guixian urged the leaders of all departments to pay close attention to this task.

At the meeting, Song Defu, director of the COC General Office and minister of personnel, delivered a report on progress made in organizational reform across China.

Li Guixian Urges Crackdown on Official Malpractices

OW2711151194 Beijing XINHUA in English 1454 GMT 27 Nov 94

[FBIS Transcribed Text] Guangzhou, November 27 (XINHUA)—People are very resentful of those government organizations where they cannot get things done without offering money or other benefits, according to a senior official at a national conference.

Speaking at the Conference on Checking Official Malpractices here, State Councillor Li Guixian said that common people often have to deal with officials who are eager to get something for their own while performing official duties.

According to incomplete statistics, he told the meeting, this year government organizations and employees across the country have been found to occupy a total of 6,300 vehicles owned by enterprises and ask for 800 million yuan from businesses.

One third of the money has been returned to the enterprises, he said.

Checking these malpractices is to guarantee social stability and advance reforms, the state councillor said. This should be regarded as part of the efforts to fight against corruption, he added.

He urged government and departments at all levels to put the work high on their agenda.

He warned that in the coming new year celebrations governments at all levels must see to it that consumption funds must be strictly controlled and banquets by using public money be banned.

Justice Minister at Conference on Organized Crime

HK2811040894 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 24 Nov 94 p 3

[By Liu Xiaolin (0491 2556 2651): "China Severely Punishes Organized Transnational Crime"]

[FBIS Translated Text] Beijing, 23 Nov (RENMIN RIBAO OVERSEAS EDITION)—This correspondent learnt from the Ministry of Justice today that a conference on organized crime attended by ministers from countries around the world was convened between 21 and 23 November in Naples, Italy. A Chinese delegation headed by Minister of Justice Xiao Yang attended the conference.

Organized and transnational crime has worsened over recent years, posing a grave danger to peace and development and causing concern in the international community and among governments. Organized and transnational crimes have been listed by the United Nations as a priority task in crime prevention and control.

In China, with reform, opening up, and the gradual establishment of a socialist market economic system have come economic development, political stability, unity among minority nationalities, social progress, and relative calm in social order overall. However, crime, which reflects all negative social factors in a general way, is also on the rise. Although no typical Mafia-style organized crimes have been discovered, the number of loosely organized criminal gangs of a certain scale has been rising. The 150,000 or so criminal gangs uncovered by China last year alone had more than 570,000 members, up 24 percent over 1992. Meanwhile, there have been more and more penetrations into China by foreign and criminal gangs from outside the border. These foreign (or outside-the-border) criminals sell or smuggle drugs into China or use our country as a smuggling corridor, organize the shipment of illegal immigrants, smuggle historical artifacts or protected wildlife out of China for sale overseas, and conduct economic fraud. In 1993, drug enforcement agencies in China solved 26,000 drug cases and seized over 4,400 kg of heroin and some 3,300 kg of opium.

Xiao Yang spoke at the conference on 21 November, explaining the Chinese Government's position on increasing international cooperation, joint prevention, and cracking down on organized transnational crime.

It is understood that in a series of legislation on crime, China's legislative organ has made provisions on cracking down on criminal gangs, accomplices in crimes [gong tong fan zui 0364 0681 3690 4997], smuggling, and drug-related crimes, while authorities along the coast have also provided local rules and regulations on related issues. Meanwhile, China's legislative organ has begun studying the possibility of drafting a nationally enforceable special legislation against organized crime. The Ministry of Public Security has also set up a special office on organized crime charged with directing and coordinating operations against organized crime.

China is pursuing international cooperation in cracking down on and preventing organized transnational crimes. The China Central Bureau of Interpol handles some 1,000 cases each year at the request of other countries, about 10 percent of them involving organized and transnational crimes. In 1990, Chinese, Thai, Myanmar [Burma], and UN drug enforcement agencies entered into cooperation to prevent organized and transnational drug smuggling. In June 1992, Chinese, Burmese, and UN drug enforcement agencies signed a drug enforcement cooperation accord.

Bo Yibo Discusses Party Building Questions

OW2411060294 Beijing XINHUA Domestic Service in Chinese 1332 GMT 10 Nov 94

["Comrade Bo Yibo Answers Reporters' Questions Concerning Party Building"—XINHUA headline]

[FBIS Translated Text] Beijing, 10 Nov (XINHUA)—Recently, XINHUA and RENMIN RIBAO reporters

interviewed Comrade Bo Yibo on how to study and implement the "Decision" of the Fourth Plenary Session of the 14th CPC Central Committee and to strengthen party building. Comrade Bo Yibo answered the reporters' questions. The interview was recorded as follows:

1. [Reporters] Please discuss the decision concerning some major issues on strengthening party building especially made by the Fourth Plenary Session of the 14th CPC Central Committee. What is the significance of this decision? What is the relationship between this decision and upholding the party's basic line of "one central task and two basic points?"

[Bo Yibo] In especially making the decision on party building issues during the new period, the Fourth Plenary Session of the 14th CPC Central Committee considered both our present practical needs and the future development of the party and state. I believe it is a farsighted and sagacious, important measure. The meeting will yield an important and far-reaching impact on ensuring that the party's basic line will remain unshaken for 100 years, China's socialist modernization will finally be achieved, and both the party and state will enjoy long-term peace and stability. It will go down in history as a very important meeting.

When opinions were sought on the "decision" (draft for discussion), some comrades raised the question of whether the session should discuss some economic issues. Then, I shared the same view. After recalling history, considering the present reality, and thinking further, I realized that in selecting the topics for discussion, the Central Committee comprehensively considered the internal link and dialectic relationship between economic work and other work, as well as the major tasks of the party and state. Therefore, the topics were very correct.

First, during these years, our party has always taken economic construction as the central task; the Central Committee has always paid great attention to economic work and made a series of important policy decisions on economic reform and development. A sustained, rapid, and healthy development of the national economy has been maintained. If we keep paying attention to economic work in this way, we will be completely able to successfully attain the second-stage strategic objective of achieving a relatively comfortable standard of living for people across the country by the end of the century.

Second, in view of the current situation and new problems of party building, the Central Committee particularly pointed out the necessity to resolve three issues concerning organizational building—namely, it is necessary to further persist in and improve democratic centralism, apply improved systems to ensure inner-party democracy, safeguard the authority of the Central Committee and, guarantee that the whole party takes unified action on important issues; it is necessary to further consolidate and reinforce the millions of grass-roots

organizations of the party so that they become fighting bastions able to unite and lead the masses in carrying out reform and opening-up, and modernization construction; and it is necessary to further cultivate and train tens of thousands of medium and high-ranking leading cadres, especially to train and select a large number of young cadres with both ability and integrity, to form a capable and energetic leading stratum that persists in taking the road of building socialism with Chinese characteristics, and is good at studying new circumstances and solving new problems.

Our party is the ruling party, and all our country's economic and other undertakings are carried out under the party's leadership. Economic construction is the central task and the foundation, but it does not proceed in an isolated manner. It needs some guarantees, such as political, ideological, cultural, and social guarantees, of which the most important is the political guarantee. Upholding the four cardinal principles is the fundamental political guarantee, and the nucleus of the four cardinal principles is party leadership. We should build the party well and ensure that no big problems occur within it (if some problems occur, the party itself is capable of solving them without relying on outside help); it is always united; and the party leadership is always strong and correct. Only in so doing, can we fundamentally guarantee economic construction as being the central task, achieve an even better and faster development of the national economy, fundamentally ensure a correct implementation of the principle of building both material and spiritual civilizations and attaching equal importance to both, and prevent and overcome the phenomenon of "being tough on the one hand and soft on the other." Otherwise, if the party is not built well and all sorts of serious problems exist within it, we will not be able to make any progress in economic development. Even if we make some temporary progress, we will be unable to maintain it.

Third, in my view, the "Decision" grasped the key issues of the crucial period. It is like the "7 January [1948] message" of the liberation war period, which proposed the setting up of a system of reports to strengthen party unity. It is also like the proposal made by the Third Plenary Session of the 11th CPC Central Committee on emancipating the mind and setting things to rights. Both proposals were made during a crucial period—the former at an important moment on the eve of seizing political power nationwide, and the latter at an important moment for whether we could free ourselves from the mistakes of the 10-year "Cultural Revolution" and recreate a new situation of socialist construction. Although the circumstances and tasks at the two different crucial moments were completely different, both the "7 January message" and the proposal of the Third Plenary Session showed that at any crucial moment, our party always deals with party leadership and party building issues first, particularly the key issue of democratic centralism, and resolves them well. It is precisely for this reason that China was completely liberated only

three and half years after the "7 January message" was sent; and in the 16 years since the Third Plenary Session of the 11th CPC Central Committee made the proposal, we have made great achievements in reform, opening up, and modernization across the country. I believe that as time goes by, people will see more and more clearly the importance of the "Decision" of the Fourth Plenary Session of the 14th CPC Central Committee to China's future development.

The "Decision" pointed out in the beginning: "China is carrying out the great and arduous task of reform, opening up, and socialist modernization. At a time when major changes are taking place in the present-day world, when the struggle between various political forces is intricate and complicated, and when competition is getting increasingly fierce between countries trying to bolster their overall national strength based on economic, scientific, and technological achievements, we are faced with rare opportunities for development as well as rigorous challenges. Further liberating the mind, and seizing the opportunity to speed up reform, opening up, and modernization to establish a socialist market economic system, will give a strong impetus to ushering in a new stage of improvements in China's social productive forces and overall national strength, as well as in the Chinese people's material and cultural lives, thus enabling the country to seize even greater initiative and victoriously march into the 21st century." The crucial point is to "victoriously march into the 21st century." The urgency of the situation and tasks was thus clearly enunciated. Simply put, we are now in a crucial period of development. As I understand it, apart from fully recognizing the urgency of the situation and tasks, we should take into account two possibilities in fulfilling our urgent tasks during the so-called "crucial period." One possibility is that we may fulfill our tasks smoothly and very well; another possibility is that we may not fulfill our tasks so smoothly or well. Leaders must consider these two possibilities, and approach problems in accordance with the doctrine that everything has two aspects. They should not approach problems according to the doctrine that everything has only one aspect. This is a basic requirement of materialist dialectics. The purpose of considering these two possibilities is to spare no effort to strive for and ensure the realization of the favorable possibility. This dictates that we sum up our experiences regularly and keep improving our work, giving particular attention to strengthening party building and party leadership. If we can successfully realize our second-step strategic objective by the turn of the century, we will lay a solid foundation for attaining the third-step strategic objective of achieving the standards of a moderately developed nation in the middle of the next century. Our economic development and the entire modernization drive will run into great difficulties, or even encounter new setbacks and give rise to new and complex problems, if we cannot do a good job—for example, if we cannot unify our thinking and move in unison on some major issues within the party, if our leadership goes

astray in some respects, if party organizations at all levels lack fighting power, and if corrupt practices within the party spread unchecked—and also fail to check erroneous ideas at the outset and solve problems promptly. This is not alarmist talk but is corroborated by a wealth of historical experiences. If we think this way, we can see that the decision on party building adopted by the plenary session, especially its emphasis on upholding and improving the party's democratic centralism and on improving and safeguarding central authority, is indeed a strategic move.

2. [Reporters] Just now, you discussed the great significance of grappling with crucial issues during the crucial period. Now, we would like to hear your specific views on the successful experiences of the first- and second-generation central leading collectives, with Comrades Mao Zedong and Deng Xiaoping, respectively, at the core, in practicing the party's democratic centralism.

[Bo Yibo] All right. Successful experiences and instances abound. Instead of looking back into the distant past, I would like to take as examples the "7 January message" and the Third Plenary Session of the 11th CPC Central Committee, and specifically review the historical conditions prevailing at that time. In my opinion, these are two instances illustrating our party's most prominent and successful experiences in correctly practicing democratic centralism since the victory in the War of Resistance Against Japan, as well as two major events of great historical significance. They gave full expression to Comrades Mao Zedong's and Deng Xiaoping's tremendous roles and leadership art at major historical moments.

Let me first discuss the situation around the time the "7 January message" was issued. After the Japanese aggressors surrendered, the CPC and Kuomintang [KMT] held talks in Chongqing. The KMT's Chiang Kai-shek, however, perfidiously tore up the "Double Ten Agreement" with the support of U.S. imperialists, waged a full-scale civil war, and launched a large-scale offensive into liberated areas. Chairman Mao and the CPC Central Committee, acting in accordance with the wishes of the entire party, army, and of people across the nation, decided to eliminate the counterrevolutionary armed forces with the revolutionary armed forces. The People's Liberation War entered the stage of counteroffensives in the latter half of 1947, during which news of victory kept pouring in from armies on various routes. Under the excellent situation in which the troops were marching triumphantly, however, disorganization and ill-discipline occurred within the party, as did "leftist" errors in the course of implementing policies on agrarian reform and industrial and commercial development. The CPC Central Committee under Chairman Mao's leadership was keenly aware of these problems and their harmfulness. In early 1948, it came to grips with the question of improving democratic centralism within the party, emphasizing that essential power must be centralized in the CPC Central Committee in order to strengthen the party's unified leadership.

On 7 January 1948, the CPC Central Committee issued an instruction within the party "On Setting Up of a System of Reports." It was the famous "7 January message." The cable pointed out: To provide the Central Committee with timely information so that it can help all areas, either before or after AN event, to avoid mistakes or commit fewer mistakes and win even greater victories in the revolutionary war, beginning this year, "for each bureau and subbureau of the Central Committee, the secretary is responsible for submitting to the Central Committee and its chairman a comprehensive bimonthly report (written by himself, not by his assistants)." "This is to be the regular report and request for instructions that the secretary of each bureau and subbureau is personally responsible for submitting to the Central Committee and its chairman." "Leading party organs at all levels must correct the bad habit of neither asking the higher level for prior instructions nor submitting reports afterwards... at a time when the revolution has entered the period of a new high tide, it is imperative to strengthen these contacts."

Responding to a certain corps leader's misunderstanding of the "leniency policy toward the enemy," Chairman Mao drafted a cable on behalf of the Central Committee and on 10 April sent it to various bureaus and subbureaus of the Central Committee and front committees. It stressed: "The Central Committee has to unify all powers that can and must be unified under it." The cable said: "The Central Committee has repeatedly pointed out to leading comrades in various localities and military units that, all Central Committee policies must be implemented without any reservations, and no subordinate organ is allowed to amend them at will without prior approval from the Central Committee." "As China's revolution has entered the period of a new high tide, our party is currently on the thoroughfare to seizing nationwide political power. First of all, the Central Committee urges all party organs and military units to act in unison on various political policies and strategies, military strategies, major campaigns, in the economic field, and in government administration." "Leading comrades in various localities must quickly accomplish all necessary mental and organizational preparations."

On 21 April, Chairman Mao commented on Lenin's "'Left-Wing' Communism, an Infantile Disorder": "Comrades, please read the book's second chapter so that we can understand the necessity of eradicating certain serious manifestations of ill-discipline and anarchy existing in our work." In his instructions on "the Work of Land Reform and of Party Consolidation in 1948" on 25 May, Chairman Mao very specifically pointed out: "It is necessary to resolutely overcome certain manifestations of ill-discipline or anarchy existing in many places. There are people who, without authorization, modify the policies and tactics adopted by the Central Committee or other higher party committees, and apply extremely harmful policies and tactics that go against the united will and discipline but which they opinionatedly believe to be correct. There are also

people who, on the pretext of work pressure, adopt the wrong attitude of neither asking for instructions before an action is taken nor submitting a report afterwards, and who regard the area they administer as an independent realm. Such attitudes are extremely harmful to the interests of the revolution. Party committees at various levels must repeatedly discuss this matter and earnestly work to overcome such ill-discipline and anarchy so that all the powers that can and must be centralized will be concentrated in the hands of the Central Committee and its agencies."

After the Central Committee issued the "7 January message" that stressed establishing a strict reporting system, leading comrades of various localities earnestly implemented the instruction. In general, they promptly delivered their reports to the CPC Central Committee and Chairman Mao even under the tense and warring environment. However, a small number of localities that did not submit their reports on time were severely criticized by Chairman Mao. In a cable to a local leader, Chairman Mao criticized: "We completely fail to understand why you maintain a perfunctory attitude on this issue." "You are maintaining an ill-disciplined concept on this issue in your minds." You should realize that "we must have these types of reports, and only after we have received many of them can we fully understand the overall profile of the great strategic region. One advantage for the comrade who writes the reports is that during the writing, he has to link various concrete issues and events while stepping back and carefully pondering over their common ground in terms of the overall situation. A leading comrade must make such careful considerations. Otherwise, he will fail in his leadership."

All localities increased their requests for instructions and efforts to submit reports after receiving specific directions and strict supervision from the party Central Committee and Chairman Mao. By the time the party Central Committee convened its September meeting in the autumn of 1948, the party's leading cadres at all levels, particularly those at high levels, had fully reached a consensus on the need to centralize essential power in the central authorities, uphold central authority, and strengthen unity across the entire party; and we had basically overcome the phenomenon characterized by the absence of organization, discipline, or government in some localities. The September meeting further made a decision, entitled: "On Improving the Party Committee System," which stressed the "party committee system is an important party system which guarantees collective leadership and prevents individual monopoly." The decision stipulated that all major issues must be subject to party committee discussions, during which members could fully air their views and make clear-cut decisions before implementing them one by one. Neither collective leadership nor individual responsibility should be over-emphasized at the expense of the other. The party Central Committee also adopted a special resolution to expand democratic practices in the party, entitled: "CPC Central Committee Resolution on Convening Party

Congresses and Representatives' Meetings at All Levels." Later on, at the Second Plenary Session of the Seventh CPC Committee Central Committee, Chairman Mao reached a conclusion in the form of "Work Methods of Party Committees," which systematically expounded important methods for improving democratic centralism in the entire party.

Unified leadership by the party was greatly strengthened and deviations from work were swiftly corrected following the implementation of a series of measures that began with the "7 January message." Consequently, smooth progress in the war of liberation and absolute victory in democratic revolution was ensured. "One will always win a revolution if one heightens one's sense of discipline." We soon liberated the whole of China, and successfully built the basic system of socialism after our revolutionary victory. Many veteran comrades, including most of the comrades from the third-generation central leading collective, personally experienced this historical event.

Just envisage what would have happened had the party Central Committee not issued the "7 January message"; had it not adopted a series of major measures and steps to strengthen unified leadership by the party; and had it not swiftly corrected party actions that ran counter to the principle of democratic centralism, and weakened unified leadership by the party through lack of discipline and governance: All localities would have sunk into a state of decentralization where each of them would have gone its own way. Even if the situations were good then, there still existed a great possibility that they would deteriorate, resulting in an unfinished war of liberation and an unfinished revolution across China. One can only guess how many years back the victory of Chinese revolution would have been pushed had we missed our golden opportunity. That the danger might occur was not totally impossible then. However, our party avoided this historical danger under the brilliant leadership of Chairman Mao, and led the revolution toward nationwide victory.

Let us discuss what great turn in history the Third Plenary Session of the 11th CPC Central Committee brought about. This is something familiar to all. The plenary session summed up the bitter lesson learned from the "Cultural Revolution," and urged everyone to emancipate their minds, use their brains, unite as one, and look forward. The plenary session, which reflected the wishes and voices of the entire party and people of the entire country and brought together correct opinions, began to comprehensively bring order out of the chaos caused by the erroneous "left" deviation; switched the focus of the party and state's work onto economic construction by suggesting the new policy of reform and opening up; and reestablished the party's Marxist ideological, political, and organizational lines. This was a turn in history for our party and state.

This turn in history was preceded by an effort to bring order out of chaos in the ideological line. We would not

have known where to start had we not emancipated our minds, smashed the trammels of the ossified thought of the "two whatevers," and revived the ideological line of proceeding from reality in everything and seeking truth from facts. However, Comrade Xiaoping pointed out: "A requisite of great importance to emancipating our minds and using our brains is the actual implementation of proletarian democratic centralism. We need centralized and unified leadership, but we must have full democracy before we can have correct centralism." At the same time, Comrade Xiaoping also promptly reiterated to the whole party the need to uphold the four cardinal principles; and to oppose those who capitalize on the opportunity brought on by efforts to emancipate the mind, carry forward democracy, and bring order out of chaos, in order to negate the four cardinal principles, advocate the capitalist road, and promote the trend of bourgeois liberalization. Thus, these three things—economic construction as the central task, upholding the four cardinal principles, and upholding reform and opening up—in reality constitute the party's basic line of "one central task and two basic points" in the new era.

It was none other than mental emancipation and the promotion of a democratic spirit that inspired and gave play to the initiative, enthusiasm, and creativity of people inside and outside the party as never before. The establishment and widespread implementation of the rural household contract responsibility system with remuneration linked to output was a great creation of hundreds of millions of peasants and people, and so was the rapid development of village and town enterprises. China's rural reform, in turn, promoted the development of urban reform, the creation of special economic zones, and the ever-expanding scope of opening up to the outside world.

As reform entered the crucial phase, Comrade Xiaoping pointed out in good time: "We must proceed in a well-led and orderly manner if we want to make a success of reform." "People may not 'take countermeasures to policies' and may not institute 'countermeasures' that run counter to central policies. I have been saying these words for several years. The situation will run out of control if the CPC Central Committee and State Council are not authoritative." "My central idea is that the center should be authoritative." "Overall control should be reflected in the weight carried by what the center says."

When the third-generation central leading collective was established, Comrade Xiaoping again said profoundly: "A leading collective should have a core, and a coreless leadership is unreliable. Chairman Mao was the core of the first-generation leading collective. Because Chairman Mao was the leadership core, the 'Great Cultural Revolution' did not topple the CPC. I am the de facto core of the second-generation leading collective. Because of this core, even the replacement of two leaders did not affect our party's leadership, which has consistently been stable. We must also have a core when we shift to a third-generation leading collective. All comrades present here should understand and handle this

issue with a high level of conscientiousness. They should conscientiously safeguard one core; that is, Comrade Jiang Zemin, upon whom everybody has agreed. Let me make it clear from the outset: The new standing committee should pay attention to fostering and preserving this collective and its core on the first day it goes to work." I think this exposition is very important and correct. To achieve and ensure the party's correct leadership, we must have a strong central leading collective, which, in turn, must have a core. This is a basic conclusion drawn from the entire history of our party's leadership of China's revolution and construction, as well as an important principle that we must follow when upholding the party's democratic centralism. This leading collective is essential to the destiny of the party, state, people, and nation.

In sum, the historic turn achieved by the Third Plenary Session of the 11th CPC Central Committee ushered in a new path and new stage of development for China's socialist cause. China's tremendous achievements in reform, opening up, and modernization over the past 16 years are inextricably linked to the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, and to a set of correct policy decisions made by our party in accordance with the principles of democratic centralism. During these years, we have gained a wealth of new experiences in practicing democratic centralism, which deserve to be summed up further.

When studying the "Decision" of the fourth plenary session, leading party cadres at all levels, especially those at high levels, would do well to review the aforementioned historical experiences in light of the current reality of reform, opening up, and inner-party life; make some comparisons; and do some thinking. I believe that they will benefit greatly and draw much inspiration from so doing.

3. [Reporters] The above detailed elucidation of yours regarding Comrades Mao Zedong and Deng Xiaoping's successful experiences in practicing and applying democratic centralism is very enlightening. Our party has also committed mistakes in the process of practicing democratic centralism. Just which specific historical experiences shall we sum up on both the positive and negative sides? Please discuss this matter in a little more depth.

[BO Yibo] This is a very good question. In practicing democratic centralism, we have both successful experiences and bitter lessons. It is common knowledge that in the party's history, the revolution suffered losses because Chen Duxiu implemented the patriarchal system, and Wang Ming waged a ruthless and merciless "leftist" factional struggle. The gradual erosion and destruction of the principles of the party's democratic centralism and collective leadership were the main cause of events that occurred after the founding of New China, ranging from the Third Plenary Session of the Eighth CPC Central Committee in the latter half of 1957 and the criticism of

opposition to rash advances in early 1958, the so-called "opposition to rightist tendencies" in 1959 and the subsequent practice of "taking class struggle as the key link," to the "Great Cultural Revolution." The disastrous consequences were the suffering of three difficult years and 10 years of civil strife.

In summing up experiences in this regard, Comrade Xiaoping made a very profound statement. He said: "From the Zunyi Meeting to socialist transformation, the party Central Committee and Comrade Mao Zedong consistently paid attention to exercising collective leadership and practicing democratic centralism, bringing fairly normal democratic life to the party. It is too bad that these good traditions have not been upheld, and a rigorous system for improving them has failed to take shape. When major issues are discussed within the party, for example, democracy is often not given enough play, and there is often inadequate discussion. Individuals or a handful of people hastily make decisions, and seldom has a vote been taken in accordance with the principle that the minority is subordinate to the majority. This shows that democratic centralism has not yet become a rigorous system. Following the criticism of opposition to rash advances in 1958 and the 'opposition to rightist tendencies' in 1959, democratic life in the party and state gradually turned abnormal, resulting in an ever-growing patriarchal system that allowed an individual to have the final say, decide on major issues, foster a personality cult, and place himself above the organization."

Some comrades and I myself have explored some aspects of democratic centralism in light of Comrade Deng Xiaoping's basic views and the guidelines of speeches made by Comrade Jiang Zemin and other central leading comrades. By summing up our positive and negative experiences in the past, it seems that we should acquire the following basic understanding on the question of practicing the party's democratic centralism:

(1) Whether democratic centralism can be practiced successfully is closely related to whether the party's ideological, political, and organizational lines are correct; it is directly proportional to the party's understanding of the laws of revolution and construction: That is, the degree of the party's maturity. The party's past performances in practicing democratic centralism, be they relatively good or bad, have all corroborated this point. Our current drive for strengthening the party's organizational structure and democratic centralism is to follow and serve the party's basic line, and to provide an organizational guarantee that the party's political line will be implemented in the new period. These two aspects complement each other.

(2) Whether democratic centralism can be practiced successfully has a great impact on whether inner-party democratic life is normal. The party is full of vim and vigor when inner-party democratic life is normal, with party leaders encouraging the free airing of views,

drawing on collective wisdom and absorbing all useful ideas, and willingly listening to different voices; and with party members and lower-level party organizations telling the truth and expressing their opinions without hesitation. The party Central Committee is now seeking opinions and suggestions from party organizations at all levels and the vast numbers of party members, canvassing opinions at all levels, even those of democratic parties and patriots with no party affiliation, regarding many important issues. This is intended to attain the aforementioned goal. If inner-party democratic life is abnormal, with some leading cadres acting dictatorially and having the final say, it will be very difficult to practice democratic centralism, which is bound to be ruined. Therefore, we should always keep in mind Chairman Mao's famous dictum: "If one allows others to speak up, the sky will not fall and one will not be toppled. If one forbids others to speak up, one will inevitably be toppled one day." We should also keep in mind Comrade Xiaoping's famous dictum: "A revolutionary party fears not hearing the people's voices; what is most dreadful is dead silence."

(3) Enforcing disciplinary rules and safeguarding the Central Committee's authority are essential for upholding and executing democratic centralism. Sectarianism and decentralism in our party history were mistakes that undermined party discipline, the Central Committee's authority and centralized leadership, and the party's democratic centralism. If we fail to be on guard against these phenomena, or if we fail to stop and correct these phenomena immediately after they have occurred, and let the phenomena of disorderliness and ill-discipline—such as requesting no instructions, submitting no reports, doing whatever one pleases, demarcating separate spheres, and setting up independent systems—spread unchecked, collective wisdom cannot be formed; the Central Committee's correct decisions cannot be carried out; and inner-party democratic life will be undermined. And, not only can the party's democratic centralism not be implemented, but the party's solidarity and unity will also disintegrate and the party's cause will fail. We must be fully aware of these problems, especially when the nation is embarked on developing a socialist market economy.

(4) We must make every effort to guard against arrogance under all circumstances. Not only is this a basic principle that leaders must follow while exercising leadership, it is also an important requirement for maintaining party solidarity and making sure that democratic centralism is implemented. During the Yanan days, Chairman Mao admonished me on many occasions: "Our party suffered owing to the great arrogance it demonstrated on several occasions." "All party members must learn from these incidents of arrogance and these mistakes. Recently we reprinted Guo Moruo's article on Li Zicheng [leader of peasants' uprising in Ming Dynasty] so that comrades can be warned and will not again commit the mistake of being arrogant when we succeed." On the eve of the nationwide victory,

Chairman Mao earnestly admonished the whole party: "comrades must be helped to remain modest, prudent, and free from arrogance and rashness in their style of work. Comrades must be helped to preserve the style of plain living and hard struggle." We can carry forward democratic centralism only when we maintain this style of work; and if we run counter to this style of work, even great people like Chairman Mao will make mistakes. The "historical resolution" adopted by the Sixth Plenary Session of the 11th CPC Central Committee states: "When the party had to exercise special caution faced with the new task of switching the focus of work to socialist construction, Comrade Mao Zedong's prestige reached a peak. Gradually he became arrogant, divorced himself from reality and the masses, his subjectivism and personal arbitrariness became increasingly serious, and he placed himself above the party Central Committee, thereby weakening and undermining the principle of collective leadership and democratic centralism in the party and state's political life"; and eventually, "the party the state could hardly guard against and stop the ignition and development of the 'Cultural Revolution.'" We should never forget this lesson.

(5) Democratic centralism must be institutionalized and norms should be set for it. In view of the historical lessons, Comrade Xiaoping pointed out: "While certain leaders' thinking and style of work were to blame for our previous mistakes, the problems in our organizational and operating systems were even more important." "These problems were more fundamental, they had overall effects, and were more persistent and long-lasting. The whole party must attach great importance to these institutional problems which have a close bearing on whether our party and state will change their color." For the sake of the party's prosperity and state's long-term stability, we must consider the "Decision" adopted by this plenary session as an opportunity and continue to sum up the fresh experiences gained from practice so that the institution and norms for our democratic centralism can become even better.

4. [Reporters] The "Decision" thoroughly discussed the significance and importance of strengthening and improving grass-roots party organizations. What additional comments can you make in this regard? We want you to emphasize the significance of training cross-century leaders.

[Bo Yibo] The overwhelming majority of grass-roots party organizations are established in state-owned enterprises and rural areas. Once we have seized this important area, and strengthened and improved these party organizations and turn them into strong fighting fortresses, then our job of reinvigorating state-owned enterprises and strengthening agriculture as the foundation of the national economy will become easier in many ways, and the many problems we have encountered will also become easier to resolve. Comrade Jiang Zemin stated in the Central Committee's recent meeting on grass-roots construction in rural areas that agriculture must be on

top of all economic projects because nationwide stability can be achieved when the situation in rural areas is stable. This is very well said. Even our forefathers understood that "the way to govern is to give priority to agriculture." Today, our agriculture is still weak and our state-owned enterprises are facing many problems. We must give importance to these two economic priorities and work hard to revitalize them and expand their developmental capacity. We should also intensify our efforts in reinforcing schools' party organizations because schools are important venues where we bring up successors to the socialist cause. During the Gutian Conference [it took place in Shangkang County, Fujian in December 1929], our party set the principle that "party branches be established in all companies of the Red Army." The purpose of establishing party organizations in grass-roots units is so that these organizations will resort to action in carrying out direct ideological and political work, and other projects among the masses. This is an extremely important task. The construction of grass-roots party organizations should always be part of our decisions and within our sight. Under no circumstances should this project be slighted or weakened.

On bringing up cross-century leading cadres, the "Decision" put it very well. It says: "The leadership level—especially the political level—of senior cadres, and especially principal provincial and higher-ranking party and government leading cadres, have a close bearing on the future and destiny of the party and state. These cadres must not only strive to become educated, knowledgeable, and competent experts, above all, they must become statesmen who are loyal to Marxism, who firmly follow the path of building socialism with Chinese characteristics, and who know how to manage party and state affairs." If we have brought up a large number of relatively young statesmen like that, there is great hope for our country's prosperity and development, and our nation's rejuvenation. Comrade Xiaoping once earnestly stated: "Would it not be nice when one day for our country to have large numbers of outstanding statesmen, economic managers, military experts, and diplomats who are in their thirties and forties!" He added: "This is a matter which has real bearing on the overall situation." This is because we must count on this requirement to maintain the continuity of party policies and to make sure that the party's basic line will not waver for 100 years; because we need to have younger cadres in the leading hierarchy to maintain the vitality of the party and state; because we urgently need strongmen [qiang ren 1730 0086] who are modernization-conscious, who uphold the four cardinal principles, who persist in carrying out reforms and opening up to carry out the great cause of building socialism with Chinese characteristics; and because to a great extent we must count on having a large number of such statesmen in order to play our part independently during the complex international struggles and fierce competition, or, as the saying goes, to "sit tight in the fishing boat despite the rising wind and waves." This being the case, heightening the political

awareness and improving the leadership of leading cadres, and especially senior leading cadres, has become a pressing task today.

When we recall our party history, we can clearly see that one clear characteristic and important requirement for party leaders at all levels has always been that they attach importance to ideals, convictions, and political work. Comrade Xiaoping put it very well, saying: "Why is it that we were able to keep on fighting under circumstances of great hardships and won the revolution by surmounting numerous past difficulties and dangers? It was because we had ideals, and we had Marxist and communist convictions." While we needed proletarian statesmen who had ideals and convictions during the revolutionary era, we also need socialist statesmen with ideals and convictions for today's modernization endeavors. Of course, we cannot demand all party members and cadres meet this requirement, but our leading cadres, and especially the senior leading cadres, must strive to become such statesmen, otherwise they will not be able to correctly manage party and state affairs. By requiring leading cadres to give emphasis to political awareness and knowledge of political affairs, we mean that they must remain sober-minded and firm when they have to deal with issues of overall importance, political orientation, and basic principles. Under such circumstances they must never be equivocal or waver. In other words, they must be loyal to Marxism, be able to sharply discern and firmly fight against things that are anti-Marxist, firmly follow the path of building socialism with Chinese characteristics, and sharply discern and firmly fight against ideas and behaviors that endanger socialism with Chinese characteristics. If our leading cadres only immerse themselves in handling business in their own fields and pay no attention to political matters, or are ignorant of political affairs, it will be very dangerous—the danger being that they will forget principles and lose their bearing when they do their work. Young leading cadres should pay special attention to this requirement. Our general task for the new requirement is to build socialism with Chinese characteristics, and this is the most important political assignment for the new period. Thus, when we say we must attach importance to political awareness, the most important thing to do is to pay attention to this political assignment, which is most important. We must truly understand and grasp its basic theory and principles, follow the real path, and proceed firmly until final success has been achieved. I remember Comrade Xiaoping said this when he inspected Tianjin in 1986: "Because of modern science and technology, and especially because we pay attention to political work, the power we have for launching reforms is much greater. We must pay attention to political work at all times, and this is something foreigners do not understand." Our leading cadres should thoroughly understand this requirement and keep it firmly in mind.

Practice over the past few years shows that the third-generation central leading collective with Comrade Jiang

Zemin as the core has justified the great trust of Comrade Xiaoping and other comrades throughout the party by properly dealing with many complex and major international and domestic issues. Courageous, insightful, resourceful, and determined, the collective is making progress. Just as Comrade Xiaoping said, its "work performance is good and reliable." I am very glad to see this. Despite quite a few difficulties and problems that demand immediate attention in our economic and social development and party building, there is every reason to believe that these difficulties and problems can be surmounted and resolved under the leadership of the central leading collective with Comrade Jiang Zemin as the core. I have taken note of remarks made by Comrade Jiang Zemin on several recent occasions: Many of the senior and mid-level cadres currently working in leadership positions at and above the county level used to work in engineering and technical jobs. It is a good thing that these comrades possess sound scientific and technological know-how, managerial expertise, and ample experience. However, they must be aware of their own shortcomings, examples of which are their poor knowledge of the basic tenets of Marxism and their lack of political training. To make my point clear, I am in full agreement with this view. Leading cadres at all levels should redouble their efforts to study Marxism-Leninism-Mao Zedong Thought and Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, keep improving their political standards, and constantly sum up their new experiences in practice so as to make their work more principled, systematic, forward-looking, and creative. Only by doing so can we consistently follow the socialist course and keep creating new prospects for the cause of building socialism with Chinese characteristics.

The most fundamental part of training young cadres and promoting them to leadership positions is to have them plunge into the thick of reality and go among the masses to temper themselves in practice. We are faced with the heavy tasks of developing a socialist market economy, expanding socialist democracy, and promoting socialist spiritual civilization. The emergence in an endless stream of new circumstances and problems urgently requires leading party cadres at all levels to really go down to grass-roots units to work, eat, and live with the masses, avoid formalism, conduct serious investigations and study, and find concrete ways to solve new problems. The time spent at a grass-roots unit need not be very long, a week or slightly longer, and it is a good idea to solve one problem at a time. Some problems should be promptly reported to higher party committees or the party Central Committee. Going among the masses to conduct investigations and study is a basic requirement for exercising good leadership, as well as a compulsory political course in society that entails learning from the masses and drawing on their wisdom and experiences. Chairman Mao used to remind and admonish people frequently on this important issue. His pet phrase was: "I will take a rock and hit" anyone who is unwilling to go down to the grass roots to conduct investigations and

study. I sincerely hope that our current leading cadres will do even better in this respect. Through investigations and study, they should establish a complete set of specific rules governing their work that serves the party's basic line and policy. Only when all policies and measures are in place can we maintain orderly and smooth progress in carrying out our economic work and other tasks. This can be accomplished only through the exertion of tremendous efforts. All cross-century, young leading cadres engaged in socialist modernization should act in accordance with the various demands set by Comrade Xiaoping. Of these demands, "the most important is to carry forward the heroic spirit of veteran comrades in following the direction of the revolutionary struggle." Just as Comrade Xiaoping said: "Cadres cannot solve problems just because they are young and professionally competent; they need to have a good workstyle as well. They should wholeheartedly serve the people, go among the masses to hear their views, have the courage to tell the truth, oppose lies, not seek undeserved fame, do practical turns, distinguish private matters from public affairs, do not trade principles for favors, and should appoint people on merit rather than through nepotism." Under no circumstances should they expend their time and energy on all kinds of pro forma activities, much less abuse their powers to seek personal gain.

As early as 1979, Comrade Xiaoping called for training young and middle-aged cadres and for carefully selecting successors. Several dozen or even as many as 100 people were elected as alternate members of the CPC Central Committee in each of the 13th and 14th CPC National Congresses. After evaluating their work performance, we did find some of them to be fit for further training in leadership skills in the political, organizational, and professional realms. This method of selecting cadres has been proven sound and feasible.

Xiao Yang Expounds on Deng's Legal Theory

HK2811090094 Beijing FAZHI RIBAO in Chinese 1
Nov 94 pp 1-2

[Speech by Xiao Yang at 31 Oct forum on studying *Deng Xiaoping on Democracy and Legal System Building* in Beijing: "Scientific Guide for Democracy and Legal System Building"]

[FBIS Translated Text] The book *Deng Xiaoping on the Building of Democracy and the Legal System* has been jointly compiled by the Propaganda Department of the CPC Central Committee and the Ministry of Justice and is published and distributed with the approval of Comrade Deng Xiaoping's Office and after the examination and approval of the Central Party Literature Research Center. Our compilation of the book *Deng Xiaoping on the Building of Democracy and the Legal System* is aimed at meeting the needs of vast numbers of cadres and masses in their study of Comrade Deng Xiaoping's theory on the building of democracy and the legal system

and in deepening society-wide propaganda and education in the law. Today, at a time when the "second five-year [er wu 0059 0063]" campaign of disseminating knowledge on the law is ending and the "third five-year [san wu 0005 0063]" campaign is to start, the efforts of the Propaganda Department of the CPC Central Committee and the Ministry of Justice, the two organs in charge of the country's work to popularize the law, to systematize Comrade Deng Xiaoping's important expositions and remarks on the building of democracy and the legal system have been proved indispensable in assisting the vast numbers of cadres to study and comprehend Comrade Xiaoping's theory on democracy and the legal system and will surely give a major impetus to the extensive and in-depth development of national propaganda and education on the law.

Comrade Deng Xiaoping's expositions on the building of democracy and the legal system constitute an important part of his theory on building socialism with Chinese characteristics. Proceeding from China's reality and from the special features of the development of today's world, he made scientific expositions on the important position occupied by democracy and the legal system in the modernization drive and offered brilliant analyses and answers to the new situations and new problems which have cropped up during the building of socialist democracy and the legal system. A collection of Comrade Xiaoping's stance, viewpoints, and methods on a series of major issues concerning China's building of democracy and the legal system, the book *Deng Xiaoping on the Building of Democracy and the Legal System* has an immediate as well as a far-reaching guiding significance for China's establishment of democracy and the legal system.

Employing succinct and popular language, *Deng Xiaoping on the Building of Democracy and the Legal System* has profound implications and substantial contents. The quintessence of the book is to promote socialist democracy, perfect the socialist legal system, and take the road of administering the country according to the law. Its basic viewpoints and major contents can be summed up as follows:

1. Efforts must be taken to uphold the people's democratic dictatorship. Basing on the Marxist theory of the dictatorship of the proletariat, Comrade Deng Xiaoping has brought to light the important historic position and functions of the people's democratic dictatorship. He has pointed out that it is perfectly justified to consolidate the people's political power with the aid of the force of the people's democratic dictatorship, thus ensuring a stable political environment for the country to push forward its socialist modernization drive.

2. Without democracy there will be no socialist modernization. Revealing the inherent relationship between the socialist modernization drive and the building of democracy, this exposition has made it clear that during the new historical period we should do our bit to promote

the economy and build modernization on the one hand, establish democracy and achieve great order across the land on the other, and pay simultaneous attention to the decisive role of the economic base and also to the reaction of the superstructure to the economic base. Therefore, this exposition can be said to have considerable significance both in theory and in practice.

3. It is necessary to systematize and legalize democracy. Historical experience and lessons have told us clearly that to build socialism we must develop democracy, and to develop democracy we must have a complete legal system. Democracy and the legal system is a dialectical unity, and the socialist legal system provides a powerful guarantee of socialist democracy. Comrade Deng Xiaoping has stressed on many occasions that if we fail to crack down on and punish crimes with the weapon of the law we will be unable to protect the democratic rights of the people. A systematized and legalized democracy can ensure the continuity and stability of democracy. Meanwhile, Comrade Deng Xiaoping has further put forward two important principles for the synchronous development of democracy and the legal system: China's building of democracy and the legal system must be guided by a correct leadership and must be carried out step by step.

4. Democratic centralism is a fundamental system of our party and our country. Ever since the Third Plenary Session of the 11th CPC Central Committee, proceeding from China's realistic situation of building socialist modernization, Comrade Deng Xiaoping has brought forward a series of important expositions on ways to uphold and perfect democratic centralism. First, the part must be subordinated to the whole and minor principles subordinated to major ones. He noted: "Democratic centralism is an inseparable component of the socialist system. Under the socialist system, individual interests must be subordinated to collective interests, partial and local interests to overall interests, and short-term interests to long-term interests. In another word, the part must be subordinate to the whole and minor principles to major ones." Second, party members must correctly exercise their democratic rights and strictly observe party discipline. Third, to attain success in reform and construction, efforts must be taken to preserve the authority of the central government. Comrade Deng Xiaoping made this exposition just before the start of the recent economic rectification campaign, therefore, there is no mistaking what it is aimed at. On the other hand, this exposition also has a general guiding significance to our work, thus constituting a major part of Comrade Deng Xiaoping's theory on democratic centralism.

5. The principle of formulating laws for people to follow, observing all existing laws, enforcing the law to the letter, and punishing lawbreakers is the gist of Comrade Deng Xiaoping's thinking on the basic principles guiding China's legal building. These principles have raised a number of basic requirements for all facets of the country's legal building. Formulating laws for the people to

follow is a requirement for the legislature, which tells people that all major fields in our social life need to be standardized and readjusted by law; observing all existing laws is a basic requirement for all party members, cadres, and citizens, as is urging them to strictly abide by the law and perform their duties in accordance with the law; and enforcing the law to the letter and punishing lawbreakers is a basic requirement for administrative law-enforcement bodies and judicial organs, as is demanding they base their work on facts, take the law as a yardstick in exercising the state's law-enforcement and judicial authority, and do their bit in fighting all crimes and punishing lawbreakers. All the facets touched upon and basic requirements raised by the above principles have jointly given shape to the overall guiding ideology and comprehensive requirement of China's legal building, the two are interrelated and mutually guaranteed, and neither should be dispensed with or overemphasized at the expense of the other.

6. Stern action must be taken against economic crimes and criminal offenses. In our socialist society, counter-revolutionaries, criminals, and new exploiters who are engaged in graft, embezzlement, speculation, and profiteering still exist, and we must wage an unrelenting struggle against them. We must not be softhearted when dealing with lawbreakers for this will harm the interests of the majority of the people and jeopardize the overall modernization drive. In view of this, Comrade Deng Xiaoping has always called for vigorous and resolute efforts to crack down on economic crime and criminal offenses, urging us to deal heavy and quick blows on all criminal activities and not to be vague or softhearted on this matter.

Comrade Deng Xiaoping's series of new theories and new expositions are closely related to China's practice of building democracy and the legal system and with the destiny of our country, nation, and ourselves. From China's remarkable achievements in building socialist democracy and the legal system, and from our comparisons with history as well as our observation of the international situation, we have realized that Comrade Deng Xiaoping's theory on the building of democracy and the legal system has enriched and developed Marxist theory on the state and the law, swept away confusion and pointed out the correct orientation for the development of China's socialist democracy and legal building, and served as an important guide for us in our effort to unswervingly advance along the road of building socialism with Chinese characteristics.

This book is an important work on Comrade Xiaoping's theory of democracy and the legal system. In the spirit of holding themselves highly responsible to readers and to history, the compilers and editors of the book adopted a rigorous and earnest attitude in their compilation work, trying their utmost to highlight the distinct theme and to present the contents in precise terms and with a scientific style. To help people have a better grasp of the book, the Propaganda Department of the CPC Central Committee

and the Ministry of Justice have also compiled another book entitled *Speeches on Studying the Book 'Deng Xiaoping on the Building of Democracy and the Legal System'*, which is expected to come off the presses soon.

Comrades,

The recently concluded Fourth Plenary Session of the 14th CPC Central Committee pointed out the need to build ours into a Marxist political party which is armed with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; is willing serve the people wholeheartedly; becomes totally consolidated ideologically, politically, and organizationally; enjoys the ability to withstand all kinds of trials and tests; and always stands at the forefront of our times. The book *Deng Xiaoping on the Building of Democracy and the Legal System* has provided us with good teaching materials and a powerful weapon in our bid to implement the spirit of the Fourth Plenary Session of the 14th CPC Central Committee, and its precious value will be proved by future practice. We hope that all our party members, cadres, and citizens can uphold the principle of integrating theory with practice, conscientiously study the book and apply the theory into practice, and strive to bring about faster and better development to China's socialist modernization drive!

Ismail Amat: 'New-Type' Nationality Relationship
OW2611120094 Beijing XINHUA in English 1141
GMT 26 Nov 94

[FBIS Transcribed Text] Hong Kong, November 26 (XINHUA)—A high-ranking Chinese official was quoted here today as saying that a new-type nationality relationship will be evolved along with the establishment and development of socialist market economy in China.

In his speech titled "nationality relationship in China" at a seminar sponsored by the Hong Kong University of Science and Technology on Friday [25 November], Chinese State Councilor Ismail Amat said that the relationship of nationalities in China is now characterized by equality, unity and mutual help.

Ismail Amat, also minister in charge of the State Nationalities Affairs Commission, said that in the 5,000-year history of the Chinese nation which is composed of 56 nationalities, unity among the nationalities and unification of the nation have always been the mainstream.

After the People's Republic of China was founded in 1949, the Chinese Government devoted its efforts to the establishment of a new nationality relationship, he said.

The central and local government took measures to help minority nationalities, many of them then living under slavery, feudal systems or even in primitive society, develop production and improve their living standard, thus achieving equal positions among all nationalities, he said.

The official noted that all of the 56 nationalities have their deputies in China's National People's Congress, adding that deputies from minority nationalities account for 18.6 percent of the total, much higher than the 8.6 percent share of the minority nationalities' population in China's total population.

Moreover, China now has more than 2 million officials from minority nationalities at various levels and in various circles.

Ismail Amat believes that socialist market economy which is now growing in China will improve economic quality in minority nationalities inhabited regions, and the state's strategy of shifting economic construction focus from the east to the west of the country will facilitate the tapping of the resources in those regions.

Article Says Leaders 'Revamp' Economic Portfolio
HK2811070794 Hong Kong EASTERN EXPRESS in
English 28 Nov 94 p 8

[By P N Kandinsky]

[FBIS Transcribed Text] The Chinese leadership has decided to revamp control over economic policy, turning the one-man show of the Vice-Premier, Zhu Rongji, into a three-man act.

Zhu was unable to pull off a "soft-landing" of the economy in the past 18 months and Beijing decided to shake up the economic policy portfolio.

Zhu will remain in charge of the central government's fledgling monetary authority, while Wu Bangguo, the Communist Party's former Shanghai boss, will handle the industrial state sector, and Jiang Chunyun, a former party chief of Shandong province, will look after agriculture.

In practice this is an admission that economic czar Zhu has failed miserably to bring down inflation as he pledged to do earlier this year. Zhu had said he would reduce the year-on-year inflation rate to 8 percent, and then push it further to a constant level of below 6 percent. Most of his willpower and confidence has now vanished, as even official forecasts predict that this year's consumer price rise will reach about 20 percent and next year's more than 10 percent. Since mid-year, according to a State Council source, Zhu, 65, has said "more than once" in public that he felt "exhausted to the point of death".

Wu, 53, on the other hand, is beginning to emerge as a key "cross-century" successor of the central leadership. Since being promoted to the party secretariat in September, sources say, Wu has overshadowed Zhu in economic policy discussions. But the sources believe Zhu is unlikely to be replaced immediately because running the economy is seen by others as "a lot of dirty work".

The main obstacle in the way of Zhu's attempted soft landing of the economy is the state-owned enterprises,

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which continue to rack up huge losses and produce unsaleable products. Since the third quarter of 1993, many large state firms have resorted to virtually holding their workers hostage with unpaid salaries while demanding credit from the central government. Now the leadership is about to launch a new round of wrestling with these inefficient industrial dinosaurs.

Sources say enterprise reform will be the top priority of the 1995 economic plan. New laws, including one covering bankruptcy, and a new set of experimental enterprises to replace the last set which remain unreformed will be announced. But will 1995's enterprise reform, like Zhu's pledge of only 6 percent inflation, end up just another broken promise?

China's state-owned enterprises have a monopoly over several vital industries and, in the past 16 years of reform, have constantly used these resources to press for continuous government protection. Some regional authorities are trying to break the power of state enterprises by creating more non-state players.

This is called "opening a second front", a phrase coined by Yue Qifeng, the former party boss of Liaoning and now of Heilongjiang.

As a general rule in modern China the wealthier the local government the more it depends on the "second front" for revenues to fund extra-budgetary projects. Faced with this growing regional independence, central leaders have attached importance to the reform of state enterprises not only because they are uncompetitive.

Rather, in the words of the General-Secretary, Jiang Zemin, enterprise reform is a "political task". Beijing hopes that a reformed state sector will dominate the economy and be its most productive component. This is seen as a key method to bolster the central government and the party by ensuring that regional governments do not become financially independent of the state sector through the development of second fronts. It is for this reason that central leaders are nervous about the sales of assets of state-owned firms in equity markets, and about what they call the "drifting and vanishing" of state-held properties.

While Beijing recently allowed a small number of the least productive enterprises to shut down, it has yet to indicate if their assets will be sold on an open market. During a recent three-week inspection tour of Heilongjiang, Jilin and Liaoning provinces, Wu advised local officials to identify the comparative advantages of their state sectors as the best way to develop their economies.

He said nothing about the "second front".

More indicative of the split between Beijing and the provinces on this issue was the fact that Yue did not accompany Wu on his tour of Heilongjiang, a fact not explained by the official press. The discord on enterprise reforms was made more apparent when just as Wu

arrived in Heilongjiang, the official Economic Daily newspaper carried a front-page report praising the Yue strategy. Heilongjiang's "second front", it said, had given rise to a virtual "second industrialisation".

Having been handed the state enterprise portfolio, Wu has already had a first taste of the difficulties that brought down Zhu.

PRC Refuses Entry of Democracy Activist Bei Dao

OW2711112794 Tokyo KYODO in English 1058 GMT
27 Nov 94

[FBIS Transcribed Text] Hong Kong, Nov. 27 KYODO—Chinese poet and pro-democracy activist Bei Dao, 45, was refused entry into China to visit his family on Thursday, Taiwanese media reported Sunday [27 November].

Bei Dao, also known as Zhao Chenkai, arrived at Beijing airport Thursday, but was forced to fly back to San Francisco, said the UNITED DAILY NEWS in its Hong Kong editions.

Bei Dao left China for the United States after the military crackdown on pro-democracy demonstrators in June of 1989.

The poet heads Human Rights in China, a New York-based organization monitoring Chinese human rights violations, which is most likely the reason for his being denied entry.

The organization on Saturday protested the decision saying that China has to allow visits.

Bei Dao made his debut as an author in JINTIAN (TODAY), a magazine launched by activists in the 1978 democracy movement known as the "Beijing Spring."

He was also among 33 intellectuals who signed an appeal in the spring of 1989 urging the abolishment of political crimes. He reportedly flew to China for a reunion with his parents, wife and children.

Chinese authorities refused his entry after he failed to provide a list of members of Human Rights in China and their activities as well as details about JINTIAN, which he edits.

Circular Bans Illegal Employment of Foreigners

OW2511135494 Beijing XINHUA in English 1341
GMT 25 Nov 94

[FBIS Transcribed Text] Beijing, November 25 (XINHUA)—China has issued a circular to ban the ever-increasing illegal employment of foreign people in the country, for the good of labor market order and public security.

"No work unit or individual is allowed to employ foreigners as waitresses, ceremonial hostesses, or for any

other service job without government authorization," says the joint notification by the Ministries of Public Security, Labor and Foreign Affairs.

"Foreigners are strictly forbidden to be imported to massage the other sex, or to engage in transvestite performances," the notification stresses.

It notes in particular that foreign students studying in China are not allowed to work illegally in China, and must leave the country on schedule after graduation.

An official at the Ministry of Public Security said the ministry has discovered that some foreign students work in China without government consent and some foreigners work as hostesses in hotels, bars and ballrooms, or are even involved in pornographic activities.

Some enterprises bring in foreign laborers illegally, and some people seek exorbitant profits through illegally importing foreign laborers, or introducing foreign people to jobs in China, he said.

He claimed that such cases have increased rapidly, as "organized large-scale smuggling of foreign laborers has appeared."

Nearly 800 foreign people were discovered to be illegally employed in China in 1993 alone, the ministry official said.

Since 1978, when China adopted its reform and open policy, more and more foreign people have come to work in the country.

"The role played by senior foreign technicians, executives and those with special expertise has been significant for China's economic construction," the official said, adding that "the problem of illegal employment also arises."

Such activities violate China's law on the entry and exit of foreigners. They disturb the order of China's labor market, and bring considerable damage to public security as well, the official said.

Reporters Disallowed From Writing for Localities

HK2811034694 Hong Kong MING PAO in Chinese 16 Nov 94 p B1

[By special correspondent Yan Zhong (0917 0022): "Central Propaganda Department Prohibits Central Media Reporters' Writing Articles for Localities"]

[FBIS Translated Text] The Propaganda Department under the CPC Central Committee recently has continued to increase its control over the media. Apart from reaffirming the "discipline" that Chinese reporters are not allowed to write articles for overseas publications, the department also stipulated that reporters who work for central media organizations are not permitted to write articles for regional publications. It said that this is to prevent propaganda work from getting out of control.

Sources said the central Propaganda Department recently has issued a series of directives to Chinese media organizations, telling them to tighten up their propaganda criteria, and stressing that the role of newspapers and electronic media as propaganda tools should be increased. The department not only forbids Chinese reporters' writing for foreign publications, it also forbids reporters working for central news organizations from writing for local newspapers. In recent years, many local and private newspapers have sprung up in China. As they have more flexible policies and offer better pay, some reporters from central news organizations have been attracted to writing articles for them. However, some of the articles they write contain materials that are not allowed to be published in newspapers under the central Propaganda Department, so the situation has been seen by the department as getting out of control, with people being misled and secrets being leaked. The new rule was announced to plug this "loophole."

At the same time, the central Propaganda Department recently has tightened up its supervision over books and newspapers for "internal circulation." It forbids people from buying issues of publications for "internal circulation" and distributing them on the open market, and from expanding the circulation of these publications at will. According to present policies, certain books or newspapers have been stipulated for "internal circulation" because the authorities believe they would "have a poisonous effect" on the public, or have an undesirable impact and "side effects." However, publications such as CANKAO XIAOXI, which has long been stipulated as a publication for subscription only by bodies in the ranks of CPC branches or above, has had its circulation expanded to the individual level in recent years.

Sources said that if publications can be bought to run magazines, it is cheaper to buy internal publications. Provincial publications controlled by the administration as being for circulation only in the province where they are published, often are distributed outside the province by newspaper distributors, so they have become uncontrollable "internal circulations."

In the past, the central Propaganda Department and the Ministry of Public Security usually carried out a massive "media campaign" before taking action against illegal publications, pornography, and criminal activities. However, it is understood that they recently have changed their strategy and have asked the media not to report it beforehand so as to avoid "alerting the culprits." They also have forbidden the reporting of internal meetings of businesses and industries so as to avoid secrets' being leaked.

There always has been a ban on Chinese reporters keeping in contact with and writing for overseas media, but recent directives have mentioned the high degree of "discipline" that must be observed. Sources said the severe sentence imposed on Gao Yu, the former deputy editor-in-chief of the Beijing newspaper JINGJIXUE

ZHOUBAO (ECONOMICS WEEKLY), who wrote for foreign publications, is a deterrent action.

Jiangsu CPC: Implement Cadre Selection Circular
OW2711093094 Nanjing Jiangsu People's Radio
Network in Mandarin 2300 GMT 24 Nov 94

[From the "Provincial News Hookup" program]

[FBIS Translated Text] The Organization Department of the Jiangsu Provincial CPC Committee recently made a suggestion on conscientiously implementing the circular of the Organization Department of the CPC Central Committee on resolutely preventing and correcting unhealthy practices in selection and appointment of cadres.

The suggestion says: The Organization Department of the CPC Central Committee recently issued a circular on resolutely preventing and correcting unhealthy practices in selection and appointment of cadres. This is an important measure for implementing the guidelines of the decision of the 14th CPC Central Committee's Fourth Plenary Session. The circular is of great significance to the all-round implementation of the principle of making cadres more revolutionized, younger, better educated and more competent with expertise and of selecting cadres with both ability and integrity, and to strengthening the contingents of cadres, particularly the building of leading bodies, so as to ensure the smooth progress of reform, opening to the outside world, and modernization construction.

The provincial party committee's organization department called on party committees and leading party members' groups at all levels to seriously study the guidelines of the circular, enhance their understanding, and resolutely implement the guidelines of the circular in an all-round way. In addition, the organization department urged all party committees and leading party members' groups to strengthen the building of organizational and personnel departments and tighten supervision.

Country To Adopt Regional Labor Law
HK2611082994 Hong Kong SOUTH CHINA
MORNING POST in English 26 Nov 94 p 9

[By Cheung Po-Ling]

[FBIS Transcribed Text] In an attempt to keep labour disputes in check China is to enforce a regional labour law which severely curtails workers' rights to strike.

The 18-point law was first put forward by the authorities of the Dalian Development Zone last June.

The law stated any negotiations between employers and employees could only be conducted through the intervention of the government-controlled All-China Federation of Trade Unions (ACFTU).

If any workers organised strikes outside the ACFTU, they would be dismissed and would not be employed by any other enterprises in the zone.

If the trade union decided the workers could go on strike, they would have to notify their employers 72 hours before any action was taken.

They then had to negotiate with employers under the arbitration of the Ministry of Labour.

Labour sources in China said this law had put workers at a great disadvantage and made strike action almost impossible as all strikes had to be approved by the government-controlled union.

If workers went on strike without authorisation, they would lose the chance to be employed in the development zone again.

The law came into effect after a series of strikes, including a two-day strike waged by 6,900 employees of the Sino-Japanese Mabuchi Motor Dalian Ltd, had hit foreign-owned companies in Dalian.

According to the chairman of the Dalian subsidiary of the ACFTU, Yang Ziqi, the new law was widely welcomed by the foreign investors there and by Beijing.

Mr Yang said there were more than 20 strikes in the zone in the first half of this year but the number had dropped to six after the law was introduced.

"So far, no worker has been dismissed because of breaching the law and all the cases were settled in a satisfactory way between employers and employees," Mr Yang said.

He said the same law was applied two months ago to end a strike at the Qingdao Development Zone in which a Korean enterprise was hit by a stoppage by more than 4,000 workers.

"Qingdao has no such regulations now but they borrowed our law to negotiate with the workers and the strike came to an end accordingly," he said. "At present they are drafting the same set of regulations for their own use."

A deputy division chief of the legal department of the ACFTU, Guo Jun, confirmed the laws used in Dalian Development Zone were likely to be followed by the rest of China.

"Many development zones and Special Economic Zones throughout the country would legislate similar laws to stem labour unrest," Mr Guo said.

He said problems in development zones were more prominent because most of the foreign-invested companies in China had not set up trade unions. The lack of a channel of negotiation was said to be a key factor behind the frequent strikes.

Most disputes concerned poor wages, non-payment of bonuses, long work hours and unsafe work conditions.

Unemployment Insurance To Emphasize Finding Work

HK2711082294 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 27 Nov-3 Dec 94 p 1

[By Ding Xuemei: "Jobless Benefits To Focus On Retraining"]

[FBIS Transcribed Text] Unemployment insurance reform will emphasize finding work for the growing ranks of the unemployed, according to a senior labour official.

That roster will exceed 1.6 million this year, equal to the combined totals of the past seven years, said Zhang Xiaojian, director of the Employment Department at the Ministry of Labour.

He said emphasis will be put on strengthening technical training for these people and encouraging enterprises to give preference to people who've lost their jobs.

And local labour departments will be urged to organize training courses focusing on new technologies, the fees for which will be picked up partly by the government.

The retraining and job search campaign will absorb about 30 percent of annual unemployment insurance funds, Zhang said. At present, there are more than 2,500 training centres and 16,000 job search agencies.

And enterprises which hire job seekers with special difficulties—such as lacking technical skills or being absent from the workforce for prolonged periods—will get the relief premiums of those people. Unemployed who opt to start their own businesses will get their total relief premium to support their production and management.

Labour departments across the country can also organize the unemployed into service groups to conduct various provisional labour services, Zhang added.

Workers displaced by bankrupt or auctioned enterprises will benefit from part of the assets spent to help them find new jobs.

Zhang said the country has added 350 million yuan (\$42.08 million) to the unemployment insurance fund to help the jobless during the 1992-1994 period.

At present, the fund stands at 2 billion yuan (\$235 million), with the state and enterprises the major contributors.

Individuals are also asked to contribute to the fund.

Meanwhile, the state will also launch a contingency unemployment reserve, funds for which will depend upon the state of the national economy, said Zhang.

In line with reform of property rights, part of state assets and profits should also be earmarked for the unemployment insurance fund.

Since establishing the unemployment insurance system in 1986, over 2,100 unemployment insurance institutions across the country have helped 1.7 million people find work and granted unemployment relief premiums to more than 2.3 million.

By the end of 1993, 532,000 work units involving 79 million people had joined unemployment insurance arrangements.

Zhang said these should be expanded to include all kinds of enterprises, institutions, and work units.

By the end of June this year, 17 provinces and municipalities such as Shandong, Hubei, Beijing, Shanghai, and Tianjin had opened unemployment insurance arrangements for collective, foreign-funded and privately-owned enterprises.

Social Insurance Law To Go Before NPC Next Year

HK2611083094 Hong Kong SOUTH CHINA MORNING POST in English 26 Nov 94 p 9

[By Chan Wai-Fong]

[FBIS Transcribed Text] A National social insurance law, which covers unemployment payouts, old age pensions and medical care, would be tabled before the National People's Congress (NPC) for deliberation and approval early next year, a labour official said.

The draft bill, currently being drawn up, maps out a package of social security schemes which have been the responsibility of individual enterprises for decades.

Industry sources pointed out that China's market reforms, in particular the privatisation of state enterprises, could not be effectively implemented unless a new social safety net was in place.

The deputy director of the Insurance and Welfare Department of the Labour Ministry, Jiao Kaiping, said yesterday the legislation would go through several revisions before it could be submitted for deliberation at the NPC.

It is understood Beijing wants to have the law ready by the end of this year to enable prompt and effective implementation of the revised Bankruptcy Law and other reforms such as the contractual labour system.

According to the draft bill, all enterprises, whether state or foreign-owned, and their employees in cities and townships will be covered by the scheme.

Both employers and employees will be required to contribute to a social insurance fund which will take care of unemployment payouts, old age pensions and medical care.

Self-employed and individual business operators can participate on a voluntary basis.

However, China's vast rural population will not be covered under the scheme.

The draft also proposes the setting up of a central institution to look after the various social insurance schemes.

Country To Extend Co-Operation With WHO

HK2611082694 Beijing CHINA DAILY in English 26 Nov 94 p 1

[By Zhu Baoxi: "State Seeks World Help To Improve Health Care"]

[FBIS Transcribed Text] China will extend co-operation with UN agencies in the health field, the nation's top health administrator has pledged.

Such international exchanges and assistance are of great help to China's efforts to improve the health of its 1.2 billion people and to attain the goal of "health for all by the year 2000," Minister of Public Health Chen Minzhang said at a ceremony to launch the Chinese edition of "A Guide to Co-operation With WHO."

WHO, the World Health Organization, is one of the United Nations' biggest special agencies, providing medical consultancy and assistance to countries world-wide.

WHO representative to China Dr R.W.K. Gee said the agency will join China in its programmes to expand preventive health care and to improve medical services.

Gee said he appreciated the publication of the book in China so that more people would know about the organization and seek new areas for co-operation.

The book, compiled by the Ministry of Public Health, introduces the history, policy and administration of the WHO and reviews previous co-operations between China and the agency.

It also gives advice for relevant departments and medical units on developing collaborations with the WHO.

The ministry has published the book as a gift to mark UN's 50th anniversary next year.

China has received regular technical assistance totalling more than \$32 million from the WHO over the past 12 years.

In addition to an annual budget in China, the WHO has also helped attract more than \$30 million in foreign aid for the country's health development.

About 40 percent of the budget and aid goes to train health professionals.

So far, the country has sent abroad 1,100 doctors for training via the WHO, many of whom have completed

their studies and returned to work as core members in their respective research fields.

About 67 joint projects are currently under way.

Article on Perfecting Administrative Hearing System

HK2811071794 Beijing FAZHI RIBAO in Chinese 24 Oct 94 p 1

["Legal System Forum" column by Yang Yuexin (2799 1878 2450): "Seize Opportunity To Perfect System of Administrative Hearings"]

[FBIS Translated Text] Democratic centralism is the cardinal system of our party and our country. To establish and perfect various specific systems that reflect democratic centralism in all aspects of the country's political life as early as possible is key to implementing democratic centralism. To further improve the system of hearings in administrative management is a rather important aspect of it.

The hearings system requires that when formulating rules and regulations or executing concrete administrative action that affects a subject [xiang dui ren 4161 1417 0086], an administrative organ should usually call an open meeting at which the comments and opinions of the party concerned are heard face to face and any misgivings and issues raised by the party concerned are addressed, explained, and answered face to face. Generally speaking, the hearing procedure is a compulsory procedure and only evidence that has been verified by a hearing procedure can be used as a legitimate basis by the administrative organ in taking administrative action. Otherwise, this leads to the invalidation of the administrative action. This shows that the hearings system is not only an effective supervisory measure checking administrative powers, but is also conducive to protecting the legitimate rights and interests of citizens, legal persons, and other organizations.

One may live one's whole life without having anything to do with the courts, but one cannot possibly avoid dealings with administrative organs. As a member of society and a citizen of the country, one may become subject to administrative management at any time. Whether it involves such abstract administrative behavior as formulating and promulgating rules and regulations or such concrete administrative behavior as awarding approvals or punishments, administrative organs always have a direct or indirect impact on the rights and obligations of citizens, legal persons, and other organizations. As is well known, in judicial procedures, in order to protect the legitimate rights and interests of litigants and ensure that judicial organs are unbiased in handling such cases, the law gives the defendant in a criminal suit the right to a defense and the litigants in a civil suit the right to debate. Corresponding to this is that in an administrative procedure, when taking administrative action, an administrative organ should also give similar rights—the right to

a hearing—to citizens, legal persons, and other organizations that are affected to ensure the proper use of administrative management powers and to protect the legitimate rights and interests of citizens, legal persons, and other organizations.

Since the middle of this century, there has been a growing tendency to codify administrative procedures into law in various countries around the world. Various types of modern procedural systems, including the hearings system, as impartial legal procedures for administrative activities and an important content of modern democracy have begun to be adopted by more and more countries. All this is manifested in "codes of administrative procedure" in such developed countries as the United States. Like any other procedural system, the hearings system has been proven to be effective through practice in these countries.

There are no uniform and unequivocal provisions on the hearings system in our country, but it is covered, not too rarely, in certain laws and regulations. According to my survey, between 1950 and 1990, over 10 laws and sets of regulations stipulated something to the effect that "the opinions of the parties concerned should be heard or consulted." For example, article 13 of the "Regulations on the Management of Highways of the People's Republic of China" reads: "When the building of a highway affects the normal use of railroads, piping, water control, electric power, posts and telecommunications, and other facilities, the construction unit should seek the consent of the departments concerned in advance." However, in our country, regulations on this issue are not well developed. There is not even a provision stipulating what should be done if the opinion of the party concerned is not heard or sought; in other words, there is no provision on the legal responsibility of a failure to perform the statutory hearings procedure. Therefore, in reality, these regulations are not as effective as they should be.

At present, some corrupt phenomena exist in our society, such as the arbitrary imposition of fees, arbitrary awarding of penalties, seeking personal gain by taking advantage of power, and abuses of power. To some extent, all of these phenomena are connected to the absence of a well-developed hearings system in our country. If we had a well-developed hearings system and extensive consultations and strict verification were required for the formulation of any rules and regulations or the imposition of any charges, we would not have the "unlawful laws" that give the green light to any attempt to seek personal gain by taking advantage of power and arbitrarily imposed charges would not mushroom despite constant prohibition. If, when awarding a penalty, we gave the recipient a necessary and full chance to defend himself, the impartiality of such penalties would be greatly enhanced.

In fact, we have advantages that no other country has in establishing and developing the hearings system. This is

because ours is a socialist country in which the people are the masters. Democratic centralism, as the cardinal system of our party and our country and the mass line that our party has advocated for a long time, contains elements of the hearings system. One may say that democratic centralism and the mass line are the basis and a fundamental safeguard in our establishment of the hearings system and that the hearings system is a concrete manifestation of democratic centralism and the mass line in the process of administrative management. The Fourth Plenary Session of the 14th CPC Central Committee energetically encouraged adhering to and developing democratic centralism. This has given us a good opportunity to establish the administrative hearings system and to accelerate the process of codifying administrative procedures into law.

Science & Technology

Roundup on Progress of 'Key' Laboratories

HK2811090494 Beijing RENMIN RIBAO in Chinese
24 Oct 94 p 3

[Article by staff reporter He Huangbiao (0149 7806 1753) and Wen Hongyan (3306 4767 1750): "Bases for Basic Research, Sources of Technical Innovation—Roundup on the Achievements Made in National Key Laboratories Over the Past 10 Years"—first paragraph is editor's note]

[FBIS Translated Text] Editor's note: It has been almost 10 years since the implementation of the national key laboratories scheme, which by now has created some sound bases for basic research and has provided effective means for revealing the laws of nature. Thanks to the hard struggle and brave explorations of the broad ranks of scientific and technological workers, a large number of outstanding achievements have been made in the national key laboratories which have contributed greatly to the development of science and technology in our country. To help our broad readership learn what has happened in the implementation of this grand scheme, we will be running a series of stories about a selected number of national key laboratories.

Ten years ago, when the structural reform of science and technology in our country set sail, our country—for the sake of the long-term development of science and technology—made a great and historic move in the domain of basic research, with the Planning Commission's promotion and implementation of the national key laboratories scheme.

By the end of 1993, 81 and 75 key laboratories had been set up using domestic funds and World Bank loans, respectively. This means a total of 156 national key laboratories were established over a period of 10 years.

The state investment and the innovative spirit of the Chinese scientists have enabled national key laboratories to form a basis in some important, young subjects on

which our country can take part in international competition. In particular, such areas as biotechnology, crystal materials, superconductor, organic geochemistry, surface science, photoelectrons, and semiconductor superlattice have become the most important focuses of research in China. One may safely say that the national key laboratories have become the bases for a number of very important basic and applied research endeavors in our country. The national key laboratories undertake about half the key projects funded by the State Natural Science Fund, as well as many "863" high-technology projects, and major scientific and technological task-force assignments at the state level. A survey of 80 national key laboratories in 1993 showed that they had undertaken 3,584 scientific research tasks, an average of 44.8 projects for each laboratory. They had won a total of 23 state-level awards, 121 province- or ministry-level awards, and seven international awards. Now, the national key laboratories have formed a crack contingent of more than 3,000 excellent and hardworking researchers, which has significantly enhanced the international reputation of China's scientific and technological community. Practice over the past 10 years has proven that the scheme of national key laboratories has created an embryonic system of mainstay institutions for basic research in China.

The tree of research is in full blossom and laden with fruit. Over the past 10 years, the national key laboratories have brought forth a batch of achievements that have caught worldwide attention. The research on solid micron superlattice, led by Professor Feng Duan [7458 4551] of Nanjing University, opened up a new field in material science. The biomacromolecules laboratory, led by Professor Zou Chenglu [6760 2110 7627] of the Biophysics Research Institute of the Chinese Academy of Science [CAS], made a breakthrough in their research on the flexibility of the active part of enzyme molecules, introducing the comparative dynamic methodology in studying the variable inactivation of enzyme molecules and taking the lead among their international colleagues. A world-level achievement was made by the superconductor laboratory of the CAS Physics Institute in its research on superconducting materials and their mechanisms, winning the laboratory a Class I state award. According to statistics, since 1987, national key laboratories have won as many as 16 Class I awards in the three major state awards for scientific and technological advances, and 17 other state-level special awards and Class I awards. Some of their findings are unmatched in the world, and some are among the most advanced developments internationally.

In the course of the laboratories' development, large numbers of outstanding young scientific and technological workers have grown and matured. A survey of 80 national key laboratories indicates that over the past decade, they have produced 333 postdoctorate researchers, over 2,000 doctor's degree holders, and 4,879 master's degree holders. Lu Wei [7120 5898], of the infrared physics laboratory, published 15 theses at

international conferences and in major foreign journals while still on his course. His findings, published in "The Vibration Behavior of Impure and Disorderly Semiconductor Lattice and Mixed-Crystal Semiconductor Lattice," won a Class I CAS award. He obtained his doctor's degree one and a half years ahead of schedule. Young mainstay researchers like Lu Wei are growing and maturing in all the key laboratories, and some have become academic leaders in specific fields.

By adopting the new operational mode of "openness, fluidity, and alliance," the national key laboratories have managed to break the self-contained structural pattern of departmental ownership. Academic boards hold the decision making power regarding the orientation and focus of research, as well as the arrangements for research subjects. Each academic board is composed of experts in the field concerned who are selected from around the country, and the institution's own experts form only one-third of the board. This open system accepts applications for cooperative research projects submitted by domestic or overseas institutions, encourages the exchange of human resources, and regularly conducts international scientific and technological cooperation projects and academic exchange activities.

The national key laboratories scheme was the third [as published] major event in the area of basic research in China following the restoration of postgraduate studies, the establishment of the academic degrees system, and the setting up of the Natural Science Fund since the beginning of the reform and opening up.

Basic research leads, and is the fountainhead of new technological inventions. It is of profound and far-reaching significance to the long-term development of society and the economy. The party and the government have attached great importance to basic research efforts. In 1982, the state set the principle of steady development of science and technology, and created a guideline for paying attention to basic and applied research. In 1984, the State Planning Commission began the organizational work for implementing the national key laboratories scheme. The purpose was to let some institutions of higher learning, the CAS, and the relevant research institutes affiliated to such ministries and commissions as the Ministry of Health and the Ministry of Agriculture, rely on their existing scientific research facilities to build a batch of national key laboratories, and by updating and transforming laboratory equipment, stabilize [wen ding] a batch of outstanding scientific and technological researchers, create a good research environment and laboratory conditions for them, and in the meantime align the strategic orientation of the research work of national key laboratories with the needs of the long-term development of the national economy, with a view to bringing scientific research into line with economic construction at a higher level. The national key laboratories were to be selected to a strict standard, so as to ensure that they were the best in terms of intellectual resources, achievements, style of academic studies, and

management, so that they could represent the national level in various fields of research. It was indeed farsighted and enterprising of the state to make such a decision under the circumstances of that time.

As the pace of reform and opening up accelerated, in 1987, with the approval of the central government, some World Bank loans were raised to fund the national development projects in some key disciplines. The State Planning Commission and the Ministry of Finance agreed that World Bank financing for the purpose specified should go hand-in-hand with the ongoing national key laboratories scheme, which meant that over 70 percent of the loans were to be spent on the development of national key laboratories.

From the very beginning, the implementation of the national key laboratories scheme has been understood and supported by the scientists, technologists, and educators nationwide. Much precious experience has been accumulated over these 10 years. In order to further improve the development of national key laboratories, the State Planning Commission, the State Commission for Science and Technology, the Ministry of Finance, the State Education Commission, the CAS, the Ministry of Agriculture, the Ministry of Health, and some other departments will jointly sponsor celebrations for the 10th anniversary of the implementation of the national key laboratories scheme in November, with a view to summing up the experience and recommending a new approach to development in the decade to come.

Aerospace Official on Developing Satellite Network

HK2811035294 Beijing ZHONGGUO XINWEN SHE
in English 0404 GMT 26 Nov 94

[FBIS Transcribed Text] Beijing, November 26 (CNS)—The director of the Chinese Aerospace Bureau Mr. Liu Jiyan has recently made known achievements acquired by China in development of space technology as well as space programme and proposals to be staged in recent time at an international conference on this sector.

Speaking at this function Mr. Liu said that the recent space programme was mainly centred on exploitation of communications and broadcasting satellites of large capacity, earth resources satellite of multiple functions, weather satellite placed in the static orbit as well as other kinds of applied satellites and ground applied systems by the turn of the century. In the wake of the launch and operation of the applied satellites, China will establish its own applied satellite network for long term operation which will cover both space and the ground with international links. Modernized transmission of information will be realized by that time on various sectors including agriculture, forestry, fishery and animal husbandry, industry, transportation, commerce, finance, taxation as well as on the securities market and the futures market through the use of the applied satellite network. The network will also help push forward industrialization

and commercialization of China's space technology. In addition to ensuring to meet its own domestic needs from the implementation of the space programme, China will also make use of its "Long March" carrier rockets and various kinds of satellites to serve international satellite users which will be offered satellite launch service.

Scientists Develop Submersible Robot

HK2411054494 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 7 Nov 94 p 3

[By correspondent Kong Xiao (1313 2556): "Successful Research and Building of Submersible Robot"]

[FBIS Translated Text] Shenyang, 6 Nov (RENMIN RIBAO)—"Explorer," the first submersible robot to be researched and developed by our country, was able to feed back data and a number of graphic images after being lowered 1,000 m below the surface of the sea off the Xisha Islands [Paracels]. After observing seaborn experiments conducted during five voyages, experts concluded that "Explorer's" overall mechanic functions and its main technological performance are on a par with the most advanced international submersible robots of the 1990's.

Shaped like a submarine, "Explorer" houses the carrier hulk itself and computer, sonar, and navigational systems featuring many high technologies such as automated navigation, underwater sonar communications, graphic image compression and processing, and artificial intelligence. It can carry out instructions to submerge and track down underwater targets and has automatic collision avoidance and self-guidance capabilities. It can communicate through underwater sonar transmission, relaying data and images back to the surface monitor stations and can monitor, photograph, and videotape designated targets.

Submersible robots of this type can carry out deep water monitoring missions of great risk as there are many unknown factors about the currents, sea conditions, and the complicated marine environment. The technology that goes into producing the robot is comparable to sophisticated space technology. At present, only a few industrially developed countries are capable of researching and making robots of a similar type. The successful submersion and retrieval of "Explorer" marked the maturing of China's submersible robot technology.

"Explorer" was a result of a six-year "gestation" period and a project under the state's "863" plan. It is a product of the coordinated efforts by technologists from the Chinese Academy of Sciences Shenyang Automation Research Institute and Institute of Acoustics, No. 702 Institute of the China State Shipbuilding Corporation, Harbin University of Engineering, and Shanghai's Jiaotong University.

Scientists Develop Grain Pest Detection Technique

OW2811075594 Beijing XINHUA in English 0657
GMT 28 Nov 94

[FBIS Transcribed Text] Xian, November 28 (XINHUA)—Scientists in northwest China's Shaanxi Province have worked out a technique for identifying pests in grain depots, which is expected to save billions of kg of grain a year.

The technique is of the advanced international level, experts said at a recent appraisal meeting.

Pests in granaries cause a ten-percent loss of grain worldwide. For China, the loss is estimated at 18 billion kg—about a year's supply for 60 million people.

The animal research institute of the Shaanxi Academy of Sciences and the Shaanxi Optical Instruments Service Department started the research in 1987, and succeeded in producing the grain pest trap examination technique in 1991.

The technology combines manual operation and a computer system.

Already, the technique has been popularized in Shaanxi, Gansu, Xinjiang, Hubei, Hunan, Henan and Shandong, and has saved some 20 million yuan-worth of grain that would otherwise have been lost.

The State Science and Technology Commission has listed the technique as a state-level key project for popularization in 1995.

Military

Li Peng, Liu Huaqing Inscribe for Naval College

OW2511152694 Beijing XINHUA Domestic Service in Chinese 0747 GMT 22 Nov 94

[By correspondent Liu Yonglu (0491 3057 6424) and reporter Huang Caihong (7806 1752 5725)]

[FBIS Translated Excerpt] Dalian, 22 Nov (XINHUA)—The Navy's Dalian Naval Vessel College marked its 45th founding anniversary today. Li Peng, premier of the State Council, and Liu Huaqing, vice chairman of the Central Military Commission, recently wrote congratulatory inscriptions for the occasion.

Li Peng inscribed: "Modernize the Navy and protect the motherland's coastal defense." Liu Huaqing wrote: "The cradle of navy officers." [passage omitted]

PLA Reshuffles Leaders Under Retirement Age System

OW2711124194 Tokyo YOMIURI SHIMBUN in Japanese 27 Nov 94 Morning Edition p 5

[By Yoshiaki Hara]

[FBIS Translated Text] Beijing, 26 Nov—A Western source in Beijing said the People's Liberation Army [PLA] replaced some high-ranking officers in early November. Retiring PLA Air Force Commander Cao Shuangming (general, born in 1929) was replaced by Deputy Commander Yu Zhenwu (lieutenant general, born in 1931). PLA General Staff Headquarters Bodyguards Bureau Director Yang Dezhong (general, born in 1923) also retired. The source said, in addition, 12 out of 42 generals are going to retire in the near future. The series of military leadership reshuffle is believed to be a part of the PLA rejuvenation program under the principle of the age limit system at age of 65.

The retirement of Director Yang Dezhong is especially noteworthy because he was one of the 19 generals promoted by CPC Central Military Commission Chairman Jiang Zemin last June. Since Jiang Zemin has no military career, it was believed that the promotion of 19 generals was aimed at strengthening his position in the PLA. In this connection, the promotion of Director Yang Dezhong, who is in charge of escorting top government leaders, was considered as Jiang's attempt to secure control over security authorities in Beijing. However, it appears Jiang's real intention was to encourage the aged general's early retirement.

Article Says Hegemony 'Not in China's Interest'

OW2811114994 Beijing BEIJING REVIEW in English No 47, 21-27 Nov 94 p 22

[Article by Hu Ping: "China Constitutes No Military Threat"]

[FBIS Transcribed Text] China has come into the spotlight in recent years for the outstanding achievements made in its reform and opening up policies and its rapid economic modernization. The Western media, which used to portray China as unstable and faltering, has now made an about-face by claiming that China will be the next superpower. They argue that a powerful China will adopt a militarily expansionist policy, menacing its neighbors. Some even go so far as to believe that China will fill the power vacuum in the Asian-Pacific region created by the retreat of the superpowers.

The increase of China's military spending has been used as one of the major arguments by those making this claim. The fact is that although in recent years China's military spending has increased to some extent, it was partly used to offset the debts accumulated in earlier years because of unduly low military expenditures. The increase also compensated for the loss of spending power caused by high inflation. For example, while military expenditures increased by 16.7 percent in 1993 over 1992, the inflation rate was also 16.7 percent in the same period. This year China's defence budget increase is 20 percent, roughly equal to the rate of price hikes in the first seven months.

The actual increase of China's military spending, therefore, is very limited. In fact, it is declining in proportion

to the gross national product (GNP). Military expenditure accounted for 1.7 percent of GNP in 1991, 1.5 percent in 1992 and only 1.3 percent in 1993.

China's per capita military spending was 43 yuan (US\$5) in 1994, compared with US\$1,000 of the United States, US\$600 of Britain and France, US\$360 of Japan and US\$8 of India.

The total amount of China's defence spending stood at 43.2 billion yuan in 1993. Converted according to the exchange rate then, it was only 2.5 percent of the US military budget of US\$291 billion and 20 percent of the amount of allocated by Japan.

Furthermore, China has reduced the size of its military force significantly. Although it has an enlisted force of 3 million, the People's Liberation Army of China is poorly equipped. That figure includes non-military personnel that are usually excluded from the figures of most nations.

In sea and air force equipment, China does not have a warship with a tonnage of over 5,000 in its existing ranks or projects under construction. Therefore, it is totally groundless to say that China is developing an ocean-going navy. China is also one of the countries with the fewest number of fighters introduced in recent years. Any unbiased military observers will come to the conclusion that the main purpose of the Chinese armed forces is for the defence of its territory and nearby seas. China is among those countries with minimal defence capabilities. It can in no way constitute a military threat to other countries.

At present, relations between China and its neighboring nations are at their best. China hopes to build a safe and prosperous new Asia-Pacific region with all the countries in the region. The goal of China's foreign policy is to maintain a peaceful international environment so that it can concentrate its limited resources and energy on domestic construction and development. Therefore, China seeks cooperation, not confrontation.

The concern that China will constitute a military threat to others is based on an outdated geopolitical strategy whereby the world is divided into different "spheres of influence" for major powers. China is convinced that nations indulging in the arms race, expansion and hegemonism always harm themselves in the end, and peace and development is the only way any country can move forward. China has no need or any interest in playing power politics and filling up vacuums in influence spheres, because it believes that these, will not benefit the people and the nation.

Every country needs defence, especially China, which was invaded and humiliated by other powers for many decades. Like other sovereign nations, China will gradually modernize its defence as it develops economically, but it will be solely for self-defence.

China will not seek expansion or hegemony or join the arms race under any circumstances. This is not because of external pressure; rather, it is because China has no such motives. It is not in China's interest.

Army Reserve Forces Update Command System

HK2511050694 Guangzhou YANGCHENG WANBAO
in Chinese 2 Nov 94 p 1

[By Zhong Wei (0112 3555), You Xiu (2589 4423), and Wei Hua (5898 5478): "Guangdong Reserve Forces Equipped With Rapid Command Automatic System"]

[FBIS Translated Text] The People's Liberation Army [PLA] Reserve Forces' most advanced automatic system for rapid mobilization and command, capable of processing audio-visual materials, compiling tables of statistics, and handling information, passed a joint inspection by the PLA Headquarters and the Guangzhou Military Region in Guangzhou yesterday.

Ou Guangyuan, Guangdong Provincial CPC Committee Standing Committee member and vice governor and Wen Yuzhu, Guangdong Provincial CPC Committee Standing Committee member and PLA Guangdong Provincial Command commander yesterday also accompanied the inspection team to Baiyun District in Guangzhou and Luocun District in Foshan to watch war maneuvers staged by the Guangdong Reserve Forces. The inspection team fully affirmed the new guideline for strengthening the reserve forces and highly praised the Guangdong Provincial CPC Committee and the Guangdong Provincial Government for attaching importance to national defense.

Circular Commends Army-People Construction Units

OW2811084494 Beijing XINHUA Domestic Service in Chinese 0947 GMT 17 Nov 94

[FBIS Translated Text] Beijing, 17 Nov (XINHUA)—The CPC Central Committee Propaganda Department and the General Political Department of the Chinese People's Liberation Army [PLA] recently issued a circular commending 132 advanced units in the army-people joint construction of socialist spiritual civilization, including the Guangqiao Street and Liuyao Street Residential Committees in Beijing's Xicheng District and the 77th Detachment of a certain unit under the PLA.

The circular, issued by the Propaganda Department and the General Political Department, says: Thanks to the cordial concern of the party Central Committee, the State Council, and the Central Military Commission and unremitting efforts by the military and the people across China, fruitful results have been achieved in the army-people joint construction of socialist spiritual civilization campaign that emerged in the early 1980's. This campaign, which is a serious implementation of the party's basic line of "one central task, two basic points"

under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics, has provided the spiritual motive force and support with intellectual resources for reform, opening up, and modernization construction; it has inherited and carried forward our party's and military's fine tradition in political work, fostered the new socialist man with ideals, morality, culture, and discipline, and promoted the implementation of spiritual civilization construction in the grass roots in keeping with the new situation of reform, opening up, and developing a socialist market economy; it has initiated a new practice of socialism, carried forward the spirit of Lei Feng and the fine traditional virtues of the Chinese nationality, and established the people-to-people relations of unity, friendliness, equality, and mutual assistance; and it has fully exploited the military's and localities' advantages, enhanced extensive exchanges and cooperation between the military and localities in the fields of politics, culture, education, and science and technology, helped develop the social productive forces and helped enhance the armed forces' combat effectiveness, and displayed dynamic vitality. A large number of advanced models have emerged in the army-people joint construction campaign. Their common characteristics are reflected in the following: Military and local leaders have attached importance to the campaign and placed it high on the agenda, attached importance to perfecting institutional organizations, incorporated the campaign into the general plan for spiritual civilization construction, implemented systems, sponsored activities regularly, attached importance to comprehensive ideological construction in various forms, learned from each other, sought mutual advancement, maintained harmonious army-government and army-people relations, and provided experience in spiritual civilization construction for localities. The purpose for commending these advanced units in the army-people joint construction is to give full play to the exemplary role of these advanced models, further kindle the military's and the people's enthusiasm and creativity, and develop the army-people joint construction campaign in depth.

The circular emphasizes: Doubling efforts to strengthen the socialist spiritual civilization construction is a long-term strategic task and an important guarantee for long-term state stability and national prosperity and development. Comrade Jiang Lemin pointed out: We should "further carry out such mass activities as the joint construction of civilized units between the army and the people and between the police and the people and truly implement the spiritual civilization construction in grassroots units in urban and rural areas." Localities and the military should take the guidelines of the 14th CPC's Fourth Plenary Session as guidance, adhere to the principle of "grasping the two links at the same time with tough hands," better understand the great significance of the army-people joint construction campaign, study and draw on the experience of advanced units, adhere to the direction, improve methods, expand the scope, and

enrich contents, so as to carry out this campaign in depth. We should continue to adhere to the principle of placing emphasis on local leadership, on motivating the masses to carry out the campaign in their own ways, and on carrying out ideological and political work, and keep to the correct direction in carrying out the army-people joint construction campaign. We should place emphasis on and do a good job in studying the theory of building socialism with Chinese characteristics and education in patriotism, strengthen ideological and moral construction, and carry forward the main theme of the era. In the army-people joint construction campaign, we should put the stress on the grass-roots units, get rid of formalism, and pay attention to effectiveness. We should earnestly study the new situation and resolve the new problems cropping up in the army-people joint construction campaign under a new situation, and ensure healthy development of the campaign. We should raise the army-people joint construction campaign to a new level through concerted efforts by the army and people and create a fine social environment for China's reform, development, and stability, and the Army's modernization drive.

People's Air Force Reforms Training Program

*OW251109/1994 Beijing Central Television Program
One Network in Mandarin 1100 GMT 11 Nov 94*

[Announcer-read report over video; from the "National News Hookup" program]

[FBIS Translated Text] The People's Air Force, which comprised only one arm and used only one aircraft model at its inception, has developed and strengthened together with our republic and evolved into a powerful air-defense force comprising several arms.

Recently, a certain Air Force flight unit successfully conducted its first air-fleet maneuver with the support of other service arms. The unit's success is an indication that the Air Force has improved its high-technology operational command and training ability, and also that it has scored great success in reforming training programs.

The Air Force is a high-technology service arm. The focus of reform in the Air Force training programs has always been an improvement in the high-technology combat effectiveness of units.

To carry this out, the Air Force has intensively and extensively pushed forward training reform by adopting effective measures that take into consideration the Air Force's existing equipment and the principle of military strategies in the new era. Since last year the Air Force, whose pilots are at least university or college graduates, has started training-in-rotation in high-technology expertise for senior military air arms officers at and above the division level, and ground forces at and above the brigade and independent-regiment levels, so that commanding officers at all levels can broaden their field of

vision and improve their ability to command modern warfare. [Video shows long shots of planes flying in formation]

During their training, all units have regarded tactical training as their starting point and training in combat methods as the core, and for the first time for any arm of the PLA, night-time combat training involving the coordination of ground troops has been conducted.

The ability of units to conduct night-time, long-range raids and low-altitude flights has improved. At present, 81 percent of the Air Force combat regiments belong to Class A, and the military quality of pilots who can fly in four types of weather, commanders, instructors, and captains of lead aircraft is the best in history. The Air Force flight safety record has been maintained at the world advanced level for 14 consecutive years. [Video shows long shots of men in uniform running toward parked aircraft at night, and aircraft conducting night time take-off and landing]

Meanwhile, airborne troops have improved their survival skills in field operations. Air-defense ground units have carried out command automation in command posts of missile battalions and anti-aircraft gun companies, and have strengthened their rapid-reaction capability. Radar units have upgraded their military equipment and information-handling methods, thus improving logistics support for air defense. [Video shows long shots of an aircraft firing missiles at ground targets, paratroopers descending from the sky, missiles being launched from the ground during daytime and nighttime, and two radar operators at work]

The People's Air Force has started from scratch and grown into a modern, dauntless, multi-arm crack force consisting of air, airborne, surface-to-air-missile, anti-aircraft-gun, and radar units. [Video ends by showing a military plane taking off]

Report Views Air Force Modernization

OW2711143394 Beijing XINHUA Domestic Service in Chinese 0812 GMT 10 Nov 94

[Newsletter by reporter Sun Maoqing (132) 5399 1987]: "Fly Toward the 21st Century—An On-the-Spot Report on the Modernization Drive of the People's Air Force"

[FBIS Translated Text] Beijing, 10 Nov (XINHUA)—Under the blue sky, fighting eagles flew like lightning.

High-altitude and high-speed fighters equipped with air-to-air missiles, hunting for "enemy planes" at an altitude of 10,000 meters, suddenly fiercely attacked "enemy" bombers in mid-sky.

Mighty bombers and strafers precisely launched sudden and violent attacks with raining flight-explosion [hang bao, 5300 3615] bombs and cluster rockets at the "enemy" field fortifications and grouped tanks.

Mine-laying planes laid anti-tank mine strips along the routes the "enemy" was expected to take.

Electronic interference planes used powerful electromagnetic waves to counter the "enemy".

The large-scale tactical military exercise recently held in the air over a certain area demonstrated that the 45-year-old People's Air Force is marching toward the overall modernization goal of building better troops and achieving high efficiency.

The People's Air Force was founded on 11 November 1949. Over the last 45 years, under the leadership and concern of three generations of leading collectives of the party Central Committee, the People's Air Force has gone through a brilliant development process. It has now become a modern arm of the services made up of air troops, ground-to-air missiles troops, artillery troops, radar units, and airborne units; and it has considerable long-range combat capability, high-speed mobility, violent assault powers, and air defense capability, enabling it to victoriously carry out the sacred mission of protecting the motherland's airspace.

Taking Off by Making Technological Innovations and Improvements

The mighty eagles have stiven forward against difficulties and have taken off through making technological innovations and improvements. The People's Air Force has made building up the troops through making technological innovations and improvements a strategic objective of its modernization efforts. It has unequivocally called for enhancing its combat effectiveness and advancing its modernization drive by making technological innovations and improvements.

As such, scientific researchers dedicating themselves to the Air Force's modernization work and large numbers of Air Force officers and men have devoted their energies to the study of aviation engineering, missiles, radars, meteorology, communications, navigation, automation of command, remote detection, and remote control, and to making technological innovations in these fields; and fruitful results have been achieved. According to statistics, since 1978, the Air Force has completed more than 10,000 scientific research projects, of which more than 40 won the state's invention prizes, 73 won the state's technological innovation prizes, and 5,516 won the Armed Forces' technological innovation prizes; and 105 of the prize-winning projects were patented by the state.

Development and applications of new and high technology have enabled the Air Force to make major breakthroughs in developing modern weapons and equipment, and in turn, has enabled it to continuously equip the troops with newly developed aircraft, ground-to-air missiles, ground-based radars, and automated combat command systems. Currently, all types of the Air Force's fighter planes, strafers, bombers, and reconnaissance planes are made in China. In the 1960's, China

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successfully developed unmanned target planes. Currently, China's target planes include those of low-altitude, medium-altitude, high-altitude, super high-altitude, major-turn [da niu dong 1129 2100 0520,] and nuclear sampling models, which have drawn attention from the world's aviation industry.

Since the 1970's, China has begun to study flight simulators. Currently, the various types of aircraft of the Air Troops and other arms of the People's Air Force all have their own laser, electronic, and infrared simulators. The newly developed "Sanwei Flight Simulator" can truthfully simulate environments in the air, enabling pilots to experience acrobatic flight acts on the ground and to receive training on these acts and on air combat attacks in simulators. Now, more than 90 percent of the Air Force's tactical and technical flight training courses can be carried out with simulators.

Historical breakthroughs have been made in aircraft maintenance—maintenance has developed from experiential to scientific forms—and maintenance theories and systems with Chinese characteristics have been established. The quality of aircraft maintenance and maintenance capability have noticeably improved; the number of serious flight accidents due to mechanical problems per 10,000 flight hours has approached the current world standard.

Speaking of these encouraging changes, leaders in charge of the Air Force's scientific research and equipment development said with deep feelings: The world is changing constantly, scientific and technological development has been very rapid, and the application of large numbers of new and high technologies has brought great changes in the military field. Facing the new challenges, the large numbers of Air Force officers and men are using their wisdom and sweat to create a more brilliant future for the modernization of the People's Air Force.

Striding Forward Amid Reform

Since the Third Plenary Session of the 11th CPC Central Committee, the tide of reform has surged on the land of the People's Republic. The People's Air Force has ridden the tide to build up itself, and has insisted on explorations and on advancing amid reform. Following the unified plan laid down by the Central Military Commission and the headquarters of the People's Liberation Army [PLA], and tapping the wisdom of tens of thousands of Air Force officers and men, the Air Force party committee has set forth the guiding principle of "insisting on reform, improving efficiency, assuring safety, and advancing steadily" for the Air Force's development. It has boldly carried out a series of major reforms in the Air Force's organizational structure, education, training, technology and equipment, and logistical support system, paving the way for the Air Force to build up better but smaller troop units.

Since the Air Force's training system was reformed, personnel of its 600 specialized technical arms have

taken up their jobs after receiving training; the ground troops have received all-round applied training; the average educational level of the graduates of flying schools has been raised from specialized technical college to regular university; and the flying technical level has increased from two weather conditions to three, enabling the Air Force to reduce overlapping training and to shorten training periods. Reform of the training courses and methods has enabled the air combat troops to focus on tactical training. As a result, the number of class-A combat groups, which symbolize the growth of the Air Force's combat effectiveness, has increased 1.8 times. In the reform of the management of training, a complete set of training methods and rules—mainly consisting of flight regulations, training regulations, guidelines, manuals, and rules—has been developed, enabling the Air Force to conduct regularized training according to established regulations and guidelines. As a result, the Air Force has maintained a world-level flight safety record.

Now, under the correct leadership of the party Central Committee, the Central Military Commission, and the PLA headquarters, the People's Air Force is setting its sights on the world, the future, and high technology; and, in light of the Air Force's reality, is continuing to deepen reform. Commanders at all levels of the Air Force have been enthusiastic in studying the methods of high technology and modernization. The air troops have developed an experimental tactical training program and combat method using different types and models of aircraft. It can be expected that the People's Air Force will make a more solid and steadier step forward on the road of reform.

A New Generation in the Blue Sky

While very few air force pilots had a college level of education a decade or so ago, all of them now are at the college or higher level in education. At present, all military region air force commanders are selected from among pilots; the youngest is 51 years old. The youngest air force corps commander is 45, the youngest division commander is 38, and the youngest regiment commander is 32. Most of the division and regiment commanders of the air units are "all weather" pilots and commanders. They are vigorous, young, and strong, always taking the lead in flying new and difficult missions. They are indeed the vanguard in the blue sky.

Zhang Jianping, 38 years old and commander of a fighter division, is the youngest division commander in the People's Liberation Army. He was promoted to regiment commander at the age of 27, became deputy division commander and division chief of staff at the age of 30, and was promoted again to division commander at the age of 34.

In recent years, Zhang Jianping led his unit in flying missions over the country's east coasts, the Qinghai-Tibet Plateau, the southern Xinjiang frontier, and the Gobi Desert. He took the lead in flying new, difficult

missions, exploring new areas, and setting new records. In 1992, his unit received the newest high-altitude and high-speed fighters and underwent very difficult technical and flight training. Facing the challenge of new technology, Zhang Jianping led his pilots in tackling one difficult problem after another. It took them only a little over a year to complete highly difficult combat training subjects, such as attack, air combat, air acrobatics, and diving in tandem through overcast skies. Eighty percent of the pilots became capable of "all weather" scramble missions. They were praised by the Central Military Commission leaders.

Li Guoyao, a flight regiment commander praised by people as a "pathbreaker in the blue sky," has pledged to fly ahead of others in a dauntless spirit of great sacrifice and to perfect combat skills. Recognized in the air force as an ace pilot, he set a new air force record in a straight-line air target shooting contest. After he became regiment commander, he was determined to toughen his pilots into truly "all-weather" ones. The pilots he led have flown many night and dawn training missions and become "all-weather" combatants capable of scrambling at any time.

The test flight records of "test flight hero" Huang Bingxin are in fact records of explorations, a symphony of dedication to the country's aviation. He has flown all but one type of China's fighters. Among China's test pilots, he ranks first in terms of accomplishments in the number of scientific research test flights, the number of risky test flights, and the number of scientific research projects. He set 10 new records in test flight for China's new aircraft.

In the people's Air Force, there are many, many pilots and commanders like Zhang Jianping, Li Guoyao, and Huang Bingxin. They are flying toward the 21st century during the course of the modernization of the people's Air Force.

Economic & Agricultural

Song Jian Views IPR Protection Work

HK2811064494 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 22 Nov 94 p 3

[“Exclusive Interview” with State Councilor Song Jian by Qi Xin from the “Intellectual Property Rights in China” column on 17 November; place not given: “In Exclusive Interview With RENMIN RIBAO Reporter State Councillor Song Jian Comprehensively Expounds on China's Policies To Protect Intellectual Property Rights”; first paragraph is RENMIN RIBAO introduction]

[FBIS Translated Text] With the step-by-step establishment of a socialist market economy in China and the approach of the day when China's position as a signatory state to GATT is restored, the issue of intellectual property rights [IPR] has now been raised to an outstandingly

important place. What is China's stand on the IPR issue? What is the current situation of China in legislation and enforcement in this field? These questions are attracting wide attention both at home and abroad. On 17 November, our “IPR in China” columnist Qi Xin interviewed Song Jian, state councillor and concurrently State Science and Technology Commission minister and host of the State Council's IPR Work Conference, on this issue.

1. China Has Completed Most of Its Work in Establishing an IPR Legal System in a Short Period of Time. Overseas Investors' IPR Will Be Protected More and More Perfectly in China.

[Qi Xin] Comrade Song Jian, would you please brief us on the basic stand and attitude of the Chinese Government on the issue of protecting IPR?

[Song Jian] To establish an IPR system so that the interests of the creators of intellectual achievements can be protected, to promote the spreading of knowledge and application of intellectual achievements, and to maintain a production and management order for fair competition: all these are inevitable demands of the progress of modern science and technology and the development of the commodity economy. Due to historical reasons, we started comparatively late in protecting IPR. However, since reform and opening up, in order to develop our social productivity faster and promote the progress of our science and technology, in order to satisfy the needs of the development of the socialist market economy, and in order to connect our economy with the track of the world economy, China has attached great importance to protecting IPR and regards it as an important component part of the policy of reform and opening up and the socialist legal system.

Although by strengthening IPR protection the development of certain industries in our country will be faced with a new situation, we, a nation in a civilized ancient country with a long history of 5,000 years which has created a brilliant culture, still have the responsibility to protect all inventions, creations, and cultural achievements which benefit the human race. With our wisdom, intelligence, and strength in science and technology, we also have the confidence and courage to occupy a front seat in the world's scientific and technological developments. Therefore, on the issue of protecting IPR the Chinese Government takes a firm stand and has a clear-cut attitude. Its achievements are also generally acknowledged.

In the short span of more than 10 years, we have already completed most of the work on establishing an IPR legal system. Some major laws in this regard, such as the “Trade Mark Law,” the “Patent Law,” the “Law on Technological Contract,” the “Copyright Law,” and the “Law on Opposition to Unfair Competition,” have already been promulgated and put into effect. Some have also been revised so that they can basically conform to international standards regarding the range and level of

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protection. To ensure the implementation and enforcement of these laws, China has also vigorously strengthened the building of an IPR judicial protection and administrative enforcement system. Over the past year or so, the people's courts have attached great importance to the handling of cases involving IPR. More than 10 higher and intermediate people's courts in our country have established an IPR court. At the same time, a law enforcement system and management network covering the whole nation has also been established in China's patents, trademarks, and copyrights work. Moreover, China has also joined a series of international conventions on protecting IPR and has engaged in active and extensive cooperation with various other countries and relevant international organizations. It has conscientiously performed its relevant international duties.

Although China is still a developing country, it has realized the protection of IPR in accordance with international standards. In the future, it will, as always, continue to strengthen protection of IPR and will push our IPR work onto a new stage so that all intellectual achievements useful to mankind will be respected and protected as they deserve.

[Qi] Would you please say something about this column in our newspaper?

[Song] Protecting IPR is a great matter that is participated in by the entire society. The State Council is attaching great importance to it. At present, one of the main jobs is to endeavor to enhance the people's sense of IPR. As China's most important and authoritative news media, RENMIN RIBAO OVERSEAS EDITION has opened the long-term column of "IPR in China." It will surely produce very good social effects.

[Qi] Many of our readers are investors from various countries and they are showing great concern about China's IPR protection work.

[Song] Yes. As I mentioned just now, China started comparatively late in establishing a legal system for protecting IPR. In the course of reform and opening up, we have come to know that in order to further cooperate with various other countries in the economic, trade, and science and technological fields, it is necessary to establish a protection system which conforms to universal international norms. At present, some friends abroad still have doubts and apprehensions. This is understandable. Through our efforts over the past few years, China has achieved remarkable successes in its work to protect IPR. I believe that when our overseas friends bring their IPR to China they will surely be protected more and more perfectly.

2. No Need for Reticence as Link on Implementation of Laws on Protecting IPR Is Still Rather Weak; Chinese Government Establishes Coordination and Guidance Organ at Various Levels for Supervision

[Qi] What are the main problems facing IPR work at present? What relevant measures and countermeasures has the state taken?

[Song] Over the past year or so, we have done a great deal of work to strengthen legislative work on protecting IPR and have established an IPR legal system conforming to international standards. These achievements have been affirmed and praised both at home and abroad. However, there is no need for reticence, as our work to protect IPR is still imperfect. Some problems exist in certain aspects. The main expressions are the comparatively weak linkage of the implementation of laws related to IPR, the comparatively poor sense of IPR in our society as a whole, and the serious law and rights violation phenomena in certain regions and certain spheres. In some areas, supervisory organs are still imperfect. As laws have not been effectively enforced in these areas and some serious IPR violations and law-breaking activities have not been forcefully investigated and dealt with, the legitimate rights and interests of IPR holders have been directly infringed upon and the unity and dignity of the state's legal system has been harmed.

Since the beginning of this year, in order to seriously investigate and deal with IPR violation practices, crack down on lawbreaking and criminal activities, and protect the implementation of the laws on IPR, the State Council has adopted a series of important measures to strengthen IPR protection. On 5 July, the State Council issued a "Decision on Further Strengthening Protection of IPR," which demanded that all localities and departments carry out a conscientious examination of their implementation of IPR laws in light of the specific realities of their own regions and departments and to increase their strength in enforcing the laws so that rights violations can be investigated and dealt with seriously and lawbreaking and criminal activities can be dealt heavy blows. At the same time, the State Council decided to establish an IPR work conference to strengthen macro management, unified arrangements, and the coordination of the work to protect IPR. On 29 July, the State Council held a telephone conference on strengthening work protecting IPR, at which concrete demands were put forth and arrangements were made for examining the work to protect IPR. Also in July this year, the NPC Standing Committee adopted a "Decision on Punishing Crimes Concerning Copyright Violations." People who have seriously violated IPR will be investigated and affixed responsibility for criminal offenses and even sentenced to imprisonment for a set term. On 15 November, the State Council's General Office issued an emergency circular on strengthening IPR protection and investigating and punishing copyright violation activities to all provinces, municipalities, ministries, and committees. Over the past few months, all localities and departments have conscientiously implemented the State Council's requirements and adopted positive measures according to the law to strengthen the struggle, investigations, and punishment against IPR violation activities. In 15 provinces and municipalities, an IPR coordination and guidance organ or a similar work system has been established for carrying out this work actively and successes have been achieved.

[Qi] As you have just mentioned, the State Council and many provinces and municipalities have established IPR work conferences and other coordination and guidance organs. Could you tell us something about the functions and tasks of these organs and the relationship between these organs and other IPR management departments?

[Song] In order to further improve and perfect China's IPR protection system and strengthen macro management, unified arrangements, and the coordination of IPR work, the State Council has established a system of IPR work conferences to take charge of the relevant research, leadership, and coordination work relating to IPR. On the basis of the division of work between various departments of the State Council and giving play to the functions of various IPR management departments, the work conference will be attended by relevant leading comrades from various departments, including economic, science and technological, foreign trade, information and publication, broadcast, film, and television, electronics, judicial, public security, industrial and commercial administration, and customs departments, and the patent, trademark, and copyright management departments. Together, they will study legislation on major IPR issues, work out concrete methods and plans for the implementation of the laws, offer assistance and guidance to comprehensive transregional and transdepartmental IPR management work, and carry out supervision and examination over enforcement of the laws.

At present, in order to strengthen IPR management and coordination work in various localities and establish a unified and highly efficient IPR protection system, local IPR coordination organs have been established in 15 provinces and municipalities. The main tasks of these organs are: First, to coordinate, study, and determine practical schemes for implementing policies on protecting IPR and coordinating transdepartmental and comprehensive IPR management work. Second, to carry out examinations on the situation in implementing IPR laws and regulations in their localities and organize and supervise relevant departments and regions in struggling against and handling serious violations of IPR. Third, to encourage and organize the various units concerned to strengthen propaganda and education on protecting IPR so that the sense of IPR among all citizens can be enhanced and the ability of leading cadres at all levels and law enforcement and management personnel to carry out management and enforce the laws can be increased. The purpose of establishing the IPR work conference and other similar coordinating and guiding organizations is to coordinate and support the work of various IPR management departments rather than replacing them.

3. Audio and Video Products, Computer Software, and Well-Known Trademarks Are Main Products Under Protection in the Next Stage; Link of Socialized Service To Be Strengthened

[Qi] What are the main tasks of the work to protect IPR in the next stage? What measures will the state take in this regard?

[Song] The focus of the work to strengthen the protection of IPR has begun to shift from the legislative sphere to the judicial and law-enforcement spheres. The main task at present and in the future is to ensure the implementation of IPR laws and regulations. The short-term objective is to proceed from the need to establish a socialist market economy structure and perfect a socialist legal system to encourage all localities and departments to conscientiously implement the State Council's "Decision on Further Strengthening the Work of Protecting IPR" in accordance with the principles of unified planning, coordination, and sharing out the work and cooperating with one another; to strengthen their ability to enforce IPR laws step by step, in a planned way, and with priority given to certain aspects; and to ensure the implementation of IPR laws and to consolidate the market order so that the legitimate rights and interests of the IPR holders can be protected, science and technological progress and cultural development can be promoted, and a more favorable environment and better conditions can be created for further opening to the outside world.

To put it concretely, the focus of work includes the following two aspects: First, to strengthen the supervision link in implementing IPR laws to improve law-enforcement organs, increase the strength of enforcing these laws, strictly investigate and handle IPR violation cases, and deal heavy blows at lawbreaking criminal activities. At the same time, the struggle against criminal activities and the work to improve this work should be closed linked with each other and various IPR management systems should be established and perfected. Second, to strengthen propaganda and popularization of knowledge about IPR laws so that the sense of law concerning IPR can be enhanced throughout society. At the same time it is necessary to encourage enterprises and institutions to perfect their IPR management systems and to establish and perfect a socialized IPR legal service system.

To carry out these tasks, relevant departments are now working out plans and organizing forces with the assistance of the State Council's IPR Work Conference to concentrate strength in the near future on examining law enforcement and investigating and handling major cases concerning IPR violations of audio and video products, computer software, books and magazines, fake trade marks, especially well-known trade marks, and other serious IPR violations. They will take resolute measures to investigate and handle such cases and dispense severe punishment on all kinds of lawbreaking and IPR violation activities so that market can be purified, order can be improved, and the work to protect IPR can be pushed to a higher level.

[Qi] As far as I am aware, the socialized service link regarding IPR protection is still rather weak at the current stage. Could you tell us something about measures to strengthen work in this field?

[Song] Strengthening socialized services in protecting IPR is an important intermediate link in ensuring the implementation of IPR laws and protecting the legitimate rights and interests of rights holders. In this regard, the state will further promote the development of relevant social organizations providing IPR legal services, such as IPR solicitors' offices, patent offices, trademark offices, and copyright agents so they can become powerful assistants to the administrative and judicial organs. In major areas and cities, including economic and technological development areas and high and new technology development areas, it is necessary to give support and guidance to the establishment of a number of IPR service organizations and organizations providing investigative and evidence collection services for handling IPR violation cases so that IPR holders can be served more effectively. Industrial circles should also unite and establish all types of IPR self-discipline organizations. They must strengthen self-protection, self-restraint, and self-supervision in this respect. It is necessary to help and guide enterprises and institutional units to establish and perfect their internal IPR management systems in accordance with international practices and to gradually improve the basis and social environment for implementing IPR laws.

[Qi] On behalf of our readers, we would like to express our thanks to you for this interview.

Hu Jintao Praises Special Economic Zones

OW2811083794 Beijing XINHUA Domestic Service in Chinese 0944 GMT 16 Nov 94

[By reporter Hu Guohua (5170 0948 5478)]

[FBIS Translated Text] Guangzhou, 16 Nov (XINHUA)—During his inspection of Guangdong, Hu Jintao, member of the CPC Central Committee Political Bureau Standing Committee and of the CPC Central Committee Secretariat, emphasized that on the basis of what has been achieved, Special Economic Zones [SEZ's] should continue to take Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line as guidance, to conscientiously implement guidelines set by the 14th CPC National Congress and the Third and Fourth Plenary Sessions of the 14th CPC Central Committee, to further strengthen and improve party building, to give full play to the role of the party's core leadership, to unite the broad masses, and to keep up their solid work so that new development superiority and new prospects will be created to effectively bring out their "display window," "experimental zone," and "file leader" roles under the new situation.

Accompanied at different times by Xie Fie, member of the CPC Central Committee Political Bureau and secretary of the Guangdong Provincial Party Committee, and Zhu Senlin, Guangdong provincial governor, Hu Jintao successively inspected Shantou, Chaozhou, Shenzhen, and Zhuhai from 9 to 16 November, hearing work reports presented by the city party committees of the

Shantou, Shenzhen, and Zhuhai SEZ's. On his way, he went into enterprises' workshops, rural farms, harbors and wharfs, and construction sites where he had cordial conversations with grass-roots cadres and masses and conscientiously listened to their views to better understand conditions in various fields. During his visit to Nanling Village in Shenzhen's Longgang District, Hu Jintao came to learn that the village, with a per capita income of little more than 100 yuan before reform and opening up, currently owns collective fixed assets of 640 million yuan with a per capita annual income of close to 30,000 yuan. He told village party committee secretary Zhang Weiji that the great changes that have taken place in the village are primarily results of the party's fine policy on reform and opening up and the good work of the masses under the leadership of the village party committee. He expressed the hope that the village will continue to go ahead with even greater success.

During his inspection, Hu Jintao showed great concern over the development of high and new technological industries in the SEZ's. In his visits to Shantou's Shantou Shipbuilding Company, Shenzhen's Scientific and Technological Development Company, Limited, and Zhuhai's Asia Emulated Control Engineering System Company, Limited, he seriously inquired into scientific and technological development and its industrialization. Witnessing the great role played by qualified personnel in enterprises, Hu Jintao said: With good policies, mechanisms, and a host of highly qualified scientists and technologists, we should be able to develop our economy even faster and better.

During his tour, Hu Jintao fully endorsed the tremendous economic and social success achieved by SEZ's. He pointed out that changes that have taken place in SEZ's have fully proven the wisdom and correctness of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and his policy decision on establishing SEZ's. The success also shows that party organizations in SEZ's and leading bodies at various levels have been highly effective in resolutely upholding the party's line, principles, and policies and in leading the broad masses in the SEZ's to emancipate the mind, to seek truth from facts, and to carry forward the spirit of dare to explore and experiment and to build enterprises through arduous efforts.

Hu Jintao emphasized: The establishment of SEZ's, a strategic decision made by Comrade Deng Xiaoping to boost China's reform and opening up as well as its modernization drive, carries overall and far-reaching significance. It is also a basic policy that we must uphold on a long-term basis during the entire process of building socialism with Chinese characteristics. With their status and role remaining unchanged under the new situation, SEZ's may, in practice, further demonstrate their important position and greater role. The road taken by SEZ's has been a successful, hopeful one. As such, comrades in the SEZ's should exercise greater initiative in shouldering the historic missions entrusted by the times and

in enhancing their sense of pride, responsibility, and urgency. They should unwaveringly proceed along this road and build SEZ's with Chinese characteristics, Chinese style, and Chinese manner even faster and better.

Urging party organizations and the vast number of cadres in SEZ's to understand the situation better, seize the opportunities, identify new missions, and add new superiority, Hu Jintao said: SEZ's should continue to play the "file leader" role in establishing a socialist market economic system and its operating mechanism by deepening reform and accelerating the pace in all-around reform. It is necessary to better integrate internal reform and opening to the outside world so that we will be able to achieve new progress and make new breakthroughs in participating in international economic cooperation and in ensuring a smooth link-up with the international market. We should step up rectification and optimization of industrial structure according to respective reality, vigorously develop high and new technological industries as well as capital and technology-intensive industries, and incorporate transregional, diversified large enterprise groups, making use of existing industrial superiority and key products to enhance competitiveness, in an effort to improve the overall economy, operating quality, and economic efficiency of SEZ's. We should persist in meeting the overall demand of the party's basic line; constantly keep overall party work in mind; correctly handle relations between reform, development, and stability; strengthen building of spiritual civilization; intensify ideological and political work; and persevere in doing a good job in the comprehensive control of social order to create a fine social environment for economic development.

Hu Jintao emphasized: The key to further improving SEZ's lies in the further improvement of party organizations in SEZ's and in fully bringing out the roles of the party's core leadership, of party organizations' fighting force, and of party members' pioneering examples. He said that the important status and role of SEZ's demand a more powerful party organization in SEZ's, and that party members and cadres in SEZ's are expected to possess relatively special qualities and character to make them special fighters. Currently, it is necessary to conscientiously study and implement the decisions made by the Fourth Plenary Session of the 14th CPC Central Committee; to fully push ahead the new, great party building project in accordance with the Central Committee's overall arrangements on strengthening party building; and to translate into concrete action the various tasks put forward by the plenary session on strengthening party building. We should uphold and perfect democratic centralism; fully arouse the enthusiasm and creativeness of party members and cadres; solidify party unity and centralism; make greater efforts to strengthen grass-roots party organization, paying particular attention to strengthening party building in foreign-funded enterprises in SEZ's; continue with the creation and accumulation of experience; and attach importance to rural grass-roots party building. Efforts should be made

to enhance the overall quality of leading cadres, energetically train and promote young cadres with both ability and political integrity, placing them in leading bodies at various levels at the appropriate time. The construction and reform carried out in SEZ's have created extremely favorable conditions for the training and growth of outstanding personnel. It is hoped that SEZ's will produce not only outstanding material but also spiritual civilization results, and will not only continue to provide experience to push forward reform and opening up as well as modernization, but also will train a number of qualified personnel in all fields, thus making new and greater contributions toward the great undertaking of building socialism with Chinese characteristics.

Minister: Agriculture Open to Foreign Investment

HK2811035494 Beijing ZHONGGUO XINWEN SHE
in English 0414 GMT 26 Nov 94

[FBIS Transcribed Text] Beijing, November 26 (CNS)-China is to greatly develop export-oriented agriculture and rural economy, making every effort to export agricultural products and labor as well as to establish enterprises overseas, says Mr. Liu Jiang, minister of Agriculture, at a working conference on agriculture's openness to the outside world.

Foreign investment of US\$ 7.47 billion has been introduced into China's agriculture to date, dozens of technological results each with economic efficiency of over RMB [renminbi] one billion have also been introduced. Due to scientific and technological exchange and cooperation with foreign countries and regions in recent years, China's export value of agricultural products increased to US\$ 14.93 billion last year up from US\$ 10.019 billion in 1991 with an annual growing rate of 22.1 percent, making up 15 percent of the total export value for the country.

The minister says opening to the outside world in agricultural sector will bring opportunities and challenges, China must not miss opportunities. Two-thirds of foreign investment in agriculture have come from Hong Kong, Macao and Taiwan, so authorities at various levels should highly emphasize introduction of investment from these regions. Scientific planning and reasonable arrangement should be taken into consideration. High value-added, technology-intensive and high foreign exchange earning industries and products should be developed in coastal regions in order to bring the national agriculture to a new level.

Official Views New Tax System for Foreign Enterprises

HK2811043294 Beijing RENMIN RIBAO in Chinese
24 Nov 94 p 2

[By Dai Lan (2071 1526): "Person in Charge of State General Administration of Taxation Says China Lives Up to Its Promises of Tax Reimbursement, Stresses That

Burden on Foreign-Funded Enterprises Will Not Increase With Implementation of New Tax System"

[FBIS Translated Text] Since the promulgation of the State General Administration of Taxation [SGAOT] regulations, under which no tax reimbursements will be given on tax paid for purchases of domestic raw and semi-finished materials, the SGAOT has successively received messages from foreign-funded enterprises asking if the amount of tax to be paid in such cases can be traded in allowance [di kou 2107 2099] or given a tax reimbursement.

In reply, a relevant person in charge of the SGAOT said: To clarify the tax policy, in August this year the Ministry of Finance and SGAOT jointly issued "A Circular on the Issue of Taxation on Exports of Products by Foreign-Funded Enterprises." The circular reaffirmed and clarified the tax policy, which has been in place for many years, namely that the last stage of exporting products for sale by foreign-funded enterprises will be exempt from integrated industrial and commercial tax, imports of all raw and semi-finished materials will be exempt from tariffs and integrated industrial and commercial tax so long as they are re-exported after processing, and tax payments for the use of domestic raw and semi-finished products will not be returned. Since the implementation of the new tax system at the beginning of this year, the integrated industrial and commercial tax on foreign-funded enterprises has been replaced by a turnover [liu zhuan 3177 6567] tax composed of value-added tax, consumption tax, and business tax. No adjustments have been made in the tax policy toward exports of these enterprises' products to maintain the relatively stability and continuity of the policy, as one might say.

Nevertheless, these policies are applicable only to foreign-funded enterprises which were set up before 31 December 1993. The SGAOT official said: While pursuing the same taxation items as domestically funded enterprises do, foreign-funded enterprises which were set up this year are entitled to enjoy tax reimbursements as their domestic counterparts on purchases of domestic raw and semi-finished materials for the production of direct export goods.

The official said: Since the beginning of 1994, China has practiced a new tax system and introduced a unified turnover tax system (that is, value-added tax, consumption tax, and business tax) on domestically funded and foreign-funded enterprises. This reform, which is aimed at unifying tax laws and making the tax burden fair, is part and parcel of the macroeconomic structural reforms China has introduced this year. It has been well received by all sides concerned. To ensure that the existing foreign-funded enterprises should not bear an additional tax burden because of the introduction of the new turnover tax system, the Chinese Government has made special arrangements, which have been approved by the Standing Committee of the National People's Congress, namely, that the increased portion of the additional tax

burden on foreign-funded enterprises which were set up upon approval before the end of 1993 will be returned to those enterprises within five years and that foreign-funded enterprises which were set up this year will pay taxes according to the new turnover tax system. To put it another way, the actual tax burden of foreign-funded enterprises set up before 1993 will not exceed the previous integrated industrial and commercial tax level.

National Conference on Economy Opens in Beijing

HK2811090894 Hong Kong AFP in English 0844 GMT
28 Nov 94

[FBIS Transcribed Text] Beijing, Nov 28 (AFP)—A government-sponsored national conference on China's economic problems opened Monday in Beijing, Chinese sources said. The meeting, which gathers the country's most senior governmental and provincial officials, will attempt to identify China's major economic policy goals for 1995.

The conference comes two months after a Communist Party plenum devoted to the strengthening of ideology did not touch on economic issues, unlike the previous year.

Authorities in China are unable to control economic growth, particularly a rate of inflation which is now running above 20 percent a year according to official estimates, its highest since economic reforms were launched in 1978.

The government had committed to keeping inflation below the 10 percent mark.

The previous record increase was in 1988, when official rates rose to 18.5 percent, sparking student demonstrations in Beijing's Tiananmen Square in 1989.

Economic growth now stands at between 11 and 12 percent, radically higher than the anticipated 8 to 9 percent.

During the current conference, the central government will renew its call to the provinces to make every effort to combat inflation, which is becoming a serious threat to already precarious social stability.

The meeting will also get its teeth into the eternal problem of state enterprises, the majority of which are running at a deficit, and also the crucial question of excessive investment, which is largely responsible for overheating of the economy.

The conference was held behind closed doors at a hotel in Jingxi, west of the capital, where major government and Communist Party meetings are held.

State Council Approves Issuing European-Listed Bonds

HK2811111094 Hong Kong AFP in English 0920 GMT
28 Nov 94

[FBIS Transcribed Text] Shanghai, Nov 28 (AFP)—China's State Council has given approval in principle to

two companies to issue convertible bonds for the first time to gauge market response to such debt instruments, sources here said Monday.

The two companies were Shanghai Tyre and Rubber Company, China's largest tyre manufacturer, and Southern Glass in Shekou, Guangdong Province, the sources said.

The tyre company will issue about 120 million dollars in bonds to enable its factories in Minhang, in Shanghai's southwestern suburbs, to expand production as soon as possible, a source said.

The maturity of the bonds was likely to be seven years and they were expected to be listed in Luxembourg, the source said.

An official of Southern Glass, which is listed on the Shenzhen Stock Market, said the company would issue seven-year bonds in Switzerland to raise 44 million dollars to build a plant to produce super-thin floated glass.

Sources had earlier said the Southern Glass bonds would be denominated in Swiss francs to allow China to experiment with one of the most widely used currencies for convertible bond issues.

An investment banker said the issues would be well received because of the novelty value but added the terms had to be attractive.

Commentator on Forming Enterprise System

HK2811043494 Beijing LIAOWANG in Chinese No 47, 21 Nov 94 p 1

[Commentator's article: "Key Lies in Building New System"]

[FBIS Translated Text] The CPC Central Committee and State Council have decided to shift the focus of economic structural reform focus onto state-owned enterprises in 1995 in the hope of building a modern enterprise system. The forthcoming reform is expected to center around such key issues as separating government functions from enterprises functions and aiming at establishing a series of new systems intended to clarify property rights, clearly define powers and responsibilities, and institute scientific management with an eye on invigorating state-owned enterprises.

The state-owned enterprises reform is now continuing at a deeper level thanks to constant exploration and practice over the last 16 years. After acquiring more operational decisionmaking power and a new operational mode, enterprises have now taken on a completely new look. A number of large- and medium-sized state-owned enterprises capable of more vigorous growth and an exemplary and leading role have already contributed to the country's sustained, rapid, and healthy national economic growth.

However, state-owned enterprises have also come across some new problems in the course of reform and development. Following the establishment of a market economic structure and the gradual implementation of price reform, as well as the coexistence and simultaneous growth of various economic sectors, state-owned enterprises have been developing at a much slower pace in comparison with township and town enterprises and "foreign-funded" enterprises. Consequently, state-owned industrial enterprises output value has taken up a smaller share of the country's total industrial output value year after year. This situation has been caused by a host of reasons, including a failure to separate government functions from enterprise functions, excessive administrative interference, and enterprises lacking in operational decisionmaking power in particular. As a result, state-owned enterprises have failed to witness dynamic growth. Practice over the past 10 years or more has shown that "bestowing" decisionmaking power on enterprises cannot thoroughly solve these problems. In order to deepen enterprise reform, it is imperative to tackle in-depth contradictions, focus on building a new enterprise system, conduct a series of corresponding reforms, and strive to gradually establish a modern enterprise system intended to clarify enterprises property rights, clearly define enterprises powers and obligations, separate government functions from enterprise functions, and institute scientific management, thus representing at once an inevitable demand of socialized production and market economic growth and the orientation of the country's state-owned enterprises reform.

Building a modern enterprise system will not only involve enterprises organizational and managerial system reform or reforms in a specific field, but also calls for building a comprehensive enterprises operating system and structure. In a nutshell, we should transform enterprise operating mechanisms and build a new enterprise system capable of handling and standardizing relations between enterprises and investors, between enterprises and governments, between enterprises and the market, between enterprises and society, among enterprises themselves, between enterprises on the one hand and staff and workers on the other, and between party, government, and trade union organizations within enterprises, as well as a host of other basic relationships in light of the demands of a market economic structure. In one word, we should try to readjust production relations and make production relations commensurate with productive forces growth.

The above-mentioned system building is no doubt an arduous reform involving in-depth contradictions and complicated issues. In order to succeed in this reform, we should first carry out experiments in a batch of selected enterprises to accumulate relevant experience and should then popularize those experiences among more enterprises. Only by so doing will we be able to avoid rushing headlong into mass action and making a mess. In accordance with the State Council plan aimed at hammering out a basic modern enterprise system framework,

we should firmly grasp and strive to make major breakthroughs in the following key aspects at the moment:

- We should clearly define property rights relations, making it clear that state-owned assets within enterprises are still owned by the state, while investments made by investors are owned by enterprises that are legal persons. This will at once separate investment ownership from assets ownership within enterprises which are legal persons and sever the "umbilical cord" linking enterprises and government, thereby truly separating government functions from enterprise functions;
- We should strive to build and perfect an enterprise legal person system under which enterprises control a stable amount of assets, own all the assets belonging to a legal person, enjoy civil rights, assume civil obligations in accordance with the law, operate independently with assets belonging to a legal person, assume full responsibilities for profits and losses, and undertake to pay company debts with assets;
- We should strive to build a standardized organization system under which enterprises are able to set up a mechanism capable of forming power institutions (shareholders committees), decisionmaking institutions (boards of directors), executive institutions (composed of managerial personnel), and supervisory institutions (supervisory committees) to supervise one another to strengthen market control, enable experts to take part in management, and raise enterprises organizational efficiency;
- We should strive to build a systematic and scientific management system under which enterprises are able to set up a mechanism to constantly raise labor productivity, conduct renovation and transformation, and promote scientific and technological progress. This mechanism will also help enterprises establish and perfect a series of basic management systems, such as financial, quality, cost management systems, and so on; encourage staff and workers to take part in democratic management; safeguard the legitimate rights and interests of staff and workers; and give full play to the role played by staff and workers as the country's masters;
- We should strive to give full play to the nucleus role played by party organizations within enterprises, actively explore appropriate ways and methods for grass-roots party organizations within enterprises to conduct work and carry out activities under new circumstances, and conduct forceful ideological and political work to mobilize the enthusiasm of all the parties concerned;

Building a new enterprise system and a new enterprise operating mechanism is undoubtedly an extremely arduous and complex endeavor, especially for a big country like China where there are a large number of state-owned enterprises and a rather complex situation.

It is impossible for all enterprises to follow the same model and take the same road in shifting operating mechanisms and building a new enterprise system. One should not hold such a one-sided view that building a modern enterprise system is nothing other than listing shares on the market, raising funds from within, and establishing duplicate companies. Deepening enterprise reform and building a modern enterprise system are in essence aimed at finding a microscopic form for the organic integration of the public ownership system and the market economy, pushing forward the development of the productive forces, and giving full play to and demonstrating the superiority of the socialist system. To this end, we should proceed from actual conditions, take the productive forces as the criterion, respect people's creative initiative, map out reform measures in light of actual conditions, and strive to achieve better results in reform.

As enterprises are the cells of the national economy, enterprise reform involves many departments. In particular, when compared with previous rounds of enterprise reform, the forthcoming round of enterprise reform is expected to confront more complex and more difficult tasks. However, so long as we proceed from actual conditions in the country's state-owned enterprises, adhere to such a train of thought as making all-round reform progress and major reform breakthroughs, and carry out comprehensive and corresponding economic and social reforms, we will certainly be able to build a modern enterprise system dominated by public ownership and consonant with a market economy.

Column Views Property Rights in Enterprise Reform

HK2811063794 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English 28
Nov 94 p 3

["View Point" column by Lin Yining]

[FBIS Transcribed Text] China's decision to make state enterprise reform a key item in its economic reform next year is a move in the right direction, but lack of clarity of ownership of property rights threatens the effectiveness of these planned reforms.

It is often difficult to tell who is the main investor in a state enterprise. For instance, a state enterprise founded on funds from the state budget could, under changing administrative authorities, become administered by a different organization and have more than one source of funding. Under such circumstances it may not be clear who is the main investor or the owner of property rights.

Another example is an enterprise which was established on bank loans. Having repaid the debt, it is then not clear which investment entity would own it. In addition, it is not clear which is the main investment body of a state enterprise that was founded on funds from the state's budget. It can only be said, in general terms, that its

assets are owned by the state. As there is no definite owner, it is not clear who should be responsible for value fluctuations of assets, or who should accept blame for losses.

Problems may be even more obvious in collective enterprises where, compared with state enterprises, the source of funding is even less clear. Funding is understood to come from the "collective", raising the question of who make up the collective.

Some such enterprises were funded by rural and township governments and others by funds from people through years of unpaid labour. There were initially no profit-and-loss accounts, making it hard to track down ownership of assets. Also, under the umbrella of a collective enterprise regime come operations of a private nature, such as an individual's private investment, or joint ventures.

Some collective enterprises, like some state enterprises, built their capital purely on bank loans and, after having repaid all bank loans, face the same problem of identifying the main investors.

Unlike state enterprises, many collective enterprises were founded not only with the injection of capital, but also with contribution of labour and materials, making it even harder to determine the ownership of the assets.

Quite simply, in a public economy the problem of property rights has still to be solved. If ownership has not been defined, property rights transactions cannot take place however necessary they are. In addition, lack of clarity of ownership leads to continuous asset loss amounting to huge sums from public enterprises. Some of the lost assets have gone to private purses while some have been wasted. Also, some have been allocated as awards and welfare for staff.

The lack of clarity in the ownership of public enterprises also hampers economic growth.

For instance, restructuring in business operation, adjustment in product base, forming of mergers and joint ventures, and corporatisation are needed in further developing the economy. But given the vagueness in asset ownership, such activities are difficult to carry out.

Doubt on ownership also encourages corruption. Some assets have been removed from public enterprises to the purses of administrative staff or government officials dealing with the public sector. They take advantage of the situation in which nobody is clearly responsible for the public assets whose ownership is not clear.

In other cases, administrative staff or government department officials dealing with the public economic are bribed to let other people appropriate the assets. As nobody is clearly responsible for public assets, public properties can easily be stolen and sold.

All of these problems point to the need for defining ownership of assets rights. Until this is done, it will be hard to make progress in enterprise reform.

Antimonopoly Rules Hit State-Owned Enterprises *HK2711083694 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 27 Nov-3 Dec 94 p 8*

[By Yun He: "Trade Ministry Feels Heat Of Antimonopoly Campaign"]

[FBIS Transcribed Text] Efforts to wipe out trading monopolies are sending the ledgers of some state construction materials trading firms into the red.

The Ministry of Internal Trade reports that many of its trading companies have incurred operating deficits since giving up exclusive rights to trade in selected production materials earlier this year.

State-owned companies under the ministry's control lost 9.55 billion yuan (\$1.11 billion) in operating expenses so far this year, according to the ministry.

China's transformation from centrally planned to market-based economy has necessitated the government's campaign against monopolies and unfair trade practices.

In doing so, the state is confronting structural difficulties.

More than 2,000 state-owned production materials trading companies, which enjoyed a lion's share of trade in the domestic market, are losing ground to private- and collective-sector traders.

This year, only 28.6 percent of trading in steel products has been handled by companies under the Ministry of Internal Trade—a 26.3 percent drop from the same period of last year.

Sales of copper and timber handled by the ministry's companies have also decreased 20.7 percent this year.

While total sales of the companies have dropped 30 percent this year, operating costs have fallen by only 5.92 percent this year.

Ministry officials attribute the chasm to poor management. The nation's reformed tax system carried out since the beginning of the year "was not a factor causing these firms to lose money," one ministry official noted.

He added that these companies' operating taxes equal only one-third of their operational losses.

But the anti-monopoly campaign also means establishing a legal structure to plug loopholes that allow fake products, false advertising, giveaway sales and contract kick backs. The government intends to ban regionally restrictive business practices and unfair restraint on trade by production materials trading companies.

Ministry officials said no matter what side-effects appear, the government will stick to its campaign against unfair competition.

Official sources report that illegal lotteries to promote sales kickbacks in awarding contracts and regional restrictions on businesses designed to protect local industries are widespread.

The government has acknowledged that the existing anti-unfair competition law, which took effect in December of last year, has had limited effect on monopolistic practices.

Ministry officials said a new law may receive final approval from the National People's Congress (NPC) next year.

That means state-owned production materials traders will have to cope by modernizing management, the ministry noted.

National Meeting on Foreign Loan Uses Held in Hunan

OW2611014894 Beijing XINHUA in English 0131
GMT 26 Nov 94

[FBIS Transcribed Text] Changsha, November 26 (XINHUA)—From 1979 to the end of June this year, China obtained 31.4 billion U.S. dollars in government loan commitments from 22 countries, according to a recent national meeting about using foreign government loans held in Changsha, capital of central China's Hunan Province.

The actual amount of loans used was 18.5 billion U.S. dollars, with most of it being used in the construction of 1,252 projects, many of which were state key projects during the sixth to the Eighth Five-Year Plans (1980-1995).

Those projects have been mainly for energy, transport, telecommunications, raw materials, and urban infrastructure facilities.

Some 3.5 billion U.S. dollars have been used in the construction of 44 power stations and plants such as in Wuqiangxi of Hunan Province, and in Fujian and Tianjin. The power stations and plants have helped China increase its electric power generating capacity by 60 million kw.

Some 3.6 billion U.S. dollars have been invested in building five railway lines including the electrified double line between Hengyang and Guangzhou, and Beijing and Qinhuangdao.

The foreign loans have also helped China increase its coal production capacity by about 50 million tons annually and its ports handling capacity by over 99 million tons.

Foreign government loans have the most favorable conditions with their advantages of large amounts, low interest rates and long-term repayment schedule.

Participants attending the meeting held that foreign government loans have promoted technical upgrading programs in industrial enterprises and improved China's foreign debt structure.

The loans have also helped develop bilateral economic and trade relations based on mutual benefit.

The money has been used in all of China's provinces, autonomous regions and municipalities.

PBOC Focuses on 'Three Big Financial Markets'

HK2811035694 Beijing ZHONGGUO XINWEN SHE
in English 0446 GMT 26 Nov 94

[FBIS Transcribed Text] Beijing, November 26 (CNS)—According to sources from the headquarters of the People's Bank of China, China will concentrate on development of three big financial markets in the country, namely, a short-term monetary market on the basis of issuance of inter-bank loan, a foreign exchange market and a securities market.

Based on its existing capital markets across the country, China will develop large-scale and inter-regional 78 short-term inter-bank loan centres and then set up a national short-term inter-bank loan centre, through computerizing the 78 centres into a unified network, to carry out a unified listing and free trading. Meanwhile, the People's Bank of China will issue financing bonds with terms of three months, six months and nine months. These bonds will act as operational means for open-market operation.

In addition, through the computerized network, a national unified foreign exchange market with open listing will be established.

Besides, the trading scope of foreign exchange market will be enlarged and trials for trading long-term foreign exchanges will be carried out, creating conditions and necessary preparations for Renminbi to become an international convertible currency.

Bank of Communications Gets International Ratings

OW2311133394 Beijing XINHUA in English 1310
GMT 23 Nov 94

[FBIS Transcribed Text] Shanghai, November 23 (XINHUA)—China's Bank of Communications has been assigned long-term credit ratings by Moody's Investor Services Inc. and the Standard & Poor's Corp of the U.S.

Financial experts say that, as a commercial bank, the bank has won the highest international credit rating.

Moody's gave the bank an "A3" rating while Standard & Poor's assigned the bank a rating of "BBB".

Leading international business appraisers Moody's and Standard & Poor's gathered over 1,000 items of data

during the several months they inspected the bank's operations and management.

The ratings show that the bank has succeeded in reshaping itself into a commercial bank, in keeping with international practice.

To date, the bank has set up six organizations abroad, and established business relations with 958 foreign banks and financial service companies.

As one of China's ten foreign-fund raisers, the Bank of Communications has issued 400 million U.S. dollars-worth of bonds on the international market.

Official on 'Successful Resettlement' of Three Gorges

OW2611031794 Beijing XINHUA in English 0247
GMT 26 Nov 94

[FBIS Transcribed Text] Beijing, November 26 (XINHUA)—China's successful resettlement of all residents in the Three Gorges dam area has paved the way for the official start of the Three Gorges project, a high-ranking resettlement official said here today.

The resettlement officially started last year following an eight-year pilot program, said Tang Zhangjin, chief of the Resettlement and Development Bureau under the State Three Gorges Project Construction Committee.

"China invested five hundred million yuan in resettlement projects last year, such as agricultural development, water conservancy facilities, infrastructure for cities or towns that are moved, enterprise resettlement and rebuilding of special facilities," the official told XINHUA in an interview.

About one billion yuan has been earmarked this year for opening up wasteland, improving soil, starting road construction in rural areas and other facilities in preparation for the resettlement of some rural residents, Tang added.

In the meantime, work has started on building infrastructure for towns of six counties, such as Zigui, Badong, Wushan, Fengjie, Yunyang and Fengdu to replace towns that will be inundated.

The six counties were selected from a total of 21 counties or prefectures to be affected partly by the reservoir.

According to the resolution passed by the National People's Congress, the country's top legislature, in 1992 the reservoir will flood 30,000 ha of farmland, orchards and forest land in 21 counties in Sichuan and Hubei Provinces.

By the year 2009 when the project is completed, a total of 1.13 million local residents will have been resettled.

The bureau chief said the resettlement will last 17 years and the number of the people to be resettled is unprecedented both at home and abroad.

The resettlement also involves relocation of about 1,600 enterprises, two cities and 11 county towns, the official said.

"If the residents are not resettled in time, the project could not be finished as planned," he said.

Unlike the way China handled resettlement for about 80,000 reservoirs during the past four decades, the Chinese Government several years ago adopted a new type of resettlement strategy, called "development resettlement".

Instead of giving each resident to be resettled a very limited amount of money as compensation, the central government mapped out a series of policies ensuring the interests and rights of the residents, including a regulation governing resettlement.

Tang explained that the central government allocated a certain amount of money for housing construction, land development, and infrastructure in advance to ensure the residents' standard of living would be better than it used to be. Compared with the land they previously owned, the farmland newly developed for the resettled people will be more and better, the official said.

Abundant resources in the three gorge areas, including wasteland, are advantageous for the resettlement of 1.13 million residents.

The residents are scattered over a long area stretching 600 km, and the land flooded accounted for only one percent of the counties involved, Tang said.

About 10 ministries and 20 provinces or municipalities have provided aid to the areas to be flooded and at least 400 such projects have been considered during the past two years after China decided to build the dam in 1992.

The bureau chief said the support has promoted the resettlement in the region.

Work Conference on Immigrants' Plight in Dam Areas

OW2611160394 Beijing XINHUA in English 1418
GMT 26 Nov 94

[FBIS Transcribed Text] Jinan, November 26 (XINHUA)—By the year 2000, the average income of the immigrants in China's dam areas will surpass the local farmers, according to a recent meeting.

According to the national working conference on immigrants in the dam areas, which was held in Jinan City of east China's Shandong Province from November 22 to 24, China is to take major steps to help the immigrants in the dam areas to get prosperous.

The move aims to ensure the average per capita income of the immigrants in the dam areas with large generating capacity power stations and good economic returns to reach or surpass that of the local farmers; and the average income of the immigrants in the dam areas with

the main function of water irrigation and poor economic returns to approach or reach that of the local rural residents.

According to the meeting, since 1949 China has built over 80,000 dams or reservoirs, which have played a marked role in flood control, generating electricity, irrigation and water supply.

To build these reservoirs, over 10 million people in the dam areas have been resettled. There are more than one million such immigrants in Shandong.

The state set up a dam-area construction fund in 1986 to help the immigrants to recover and develop their production.

A recent report shows that some 70 percent of the immigrants have now had enough food and clothes and part of the immigrants have embarked on the road of prosperity.

According to the official with ministry of water resources, new steps will be taken to achieve the goal set for the year 2000.

The official said that close attention will be paid to the overall programming of the immigrants of the dam areas and necessary policies will be formulated to enhance the investment for immigration work.

He said that efforts should be made to step up the construction of the infrastructural facilities in the dam areas to create good living and working conditions for the immigrants.

Efforts should also be made to quicken the pace of construction of production facilities in the dam areas, the official concluded.

State Council Convenes Meeting on Labor Migration

OW2511162994 Beijing XINHUA in English 1557
GMT 25 Nov 94

[FBIS Transcribed Text] Beijing, November 25 (XINHUA)—The Chinese State Council today convened a meeting on the handling of the migration of rural laborers in the coming spring festival period.

The meeting, which was presided over by State Councilor Luo Gan, was held in accordance with the instructions of Premier Li Peng on organizing the orderly transportation of rural laborers during the spring festival period.

Luo told the meeting that to ensure an orderly flow of the rural laborers, the State Council has decided that all organizations in Beijing, Shanghai, Tianjin and coastal areas must temporarily stop employing rural surplus labor from outside these areas during the month after the spring festival which falls on January 31 next year.

He said that in previous years the month after the spring festival saw a peak outflow of rural surplus laborers.

The state councilor called on local governmental departments at all levels to pay special attention to controlling the emigration of surplus laborers.

He noted that the organizations seeking rural laborers should stick to the decision strictly and make arrangements in advance for the month after the festival.

In recent years surplus rural laborers in China have been encouraged to transfer to the non-agricultural sectors and allowed to make orderly transregional migration, Luo said.

President Jiang Zemin and Premier Li Peng have paid close attention to organizing the orderly migration of these laborers.

The premier has stressed that more effective and concrete steps should be taken to fulfill the task.

Luo, also secretary-general of the State Council, noted that the departments and organizations which have already employed outside rural laborers should try their best to have at least 60 percent of the laborers spend the spring festival in the areas where they work.

He said that the registration of the migration of surplus rural laborers will be strengthened in order to control the overall flow of transregional migration and develop an organized labor service.

The management of the transportation of railways, highways and water routes should also be enhanced to maintain a good transportation order, he said, adding that flexible transportation charges are to be introduced during the coming spring festival period.

Luo urged governments at all levels to make redoubled efforts to use all kinds of mass media to give publicity to the State Council's decision and the relevant regulations in order to enlist popular understanding and support.

Wu Bangguo and Jiang Chunyun, members of the Political Bureau and the Secretariat of the Central Committee of the Communist Party of China, also spoke at today's meeting.

Special Zones Said To Stimulate Local Economies

HK2711082594 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 27 Nov-3 Dec 94 p 2

[By Lu Hongyong: "Special Zones Pioneer Growth"]

[FBIS Transcribed Text] Mushrooming economic and technological development (ETD) zones are hoisting local economies through bolstering export-oriented industries absorbing huge amounts of foreign investment and providing a nurturing environment for high-tech foreign projects.

Altogether, 32 State-level ETD zones have been approved since 1984, 14 of which opened along the eastern coast before 1992.

Another group of 18 lie in open port cities along the Yangtze River or in inland provincial capitals.

A recent survey carried out by the Office for Special Economic Zones under the State Council shows that among the development zones, older ones and a few well-performing new ones have kept average industrial production growth of 80 percent over the last three years.

Industrial production value of the development zones totalled 45 billion yuan (\$5.23 billion) last year, up 84 percent from 1992.

Industrial output in the areas is estimated to top 70 billion yuan (\$8.14 billion) by the end of 1994, according to sources from the office.

Statistics ending last June show that of the survey respondents, 12 coastal ones plus one each in Wenzhou of Zhejiang and Kunshan of Jiangsu have absorbed contracted foreign investment of \$11.4 billion, with \$4.7 billion already sunk into 6,200 projects.

Real investment in the 16 oldest development zones for the first half of this year hit \$10.3 billion, up 52.5 percent from the same period of last year.

Of the 6,200 foreign-funded projects in the development zones investigated, 350 projects have each absorbed an average of over \$10 million.

Per-project investment last year averaged \$2.72, more than doubling the average of \$1.3 million for projects outside the development zones.

Shanghai-based Minhang Development Zone set the highest record with average per-project investment of \$8.4 million, followed by Guangzhou Development Zone with \$6.3 million for each project.

About 20-40 percent of enterprises in the nation's development zones are sinking additional funds into ongoing projects in the areas, sometimes even surpassing the original investment.

Of the 18 development zones launched after 1992, three in port cities along the Yangtze River and one in China's major auto base in Changchun, provincial capital of North China's Jilin Province, are to emerge as China's major sedan car, light truck, motorcycle, and auto parts bases.

The Wuhan Development Zone in Hubei Province set up joint ventures with Citroen and is expecting to see its first sample sedan car roll off the assembly line next year. Its car output is projected to top 300,000 with completion of its second-phase construction by the year 2000.

The development zone in Wuhu of Anhui Province will feature light trucks. The Chongqing motorcycle project in Sichuan Province, now speeding its construction, is

expected to make 400,000 engines for Honda motorcycles. And the Changchun development zone is meant to be attached to China's First Auto Works (FAW) based in the same city, to produce crucial auto parts.

The success of existing ETDs has fueled local governments' desire to establish more of them, especially on the county level.

The zones are so numerous that even the State Council is unsure of the actual number of development zones. It will join six other ministries to conduct a census next year.

Trade With Germany 'Booming' This Year

HK2711082494 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 27 Nov-3 Dec 94 p 1

[By Sun Hong: "Germany Proves Key Partner In Nation's Economic Construction"]

[FBIS Transcribed Text] Sino-German economic ties have strengthened this year with booming bilateral trade, German investment, and technological co-operation, according to an official with the Ministry of Foreign Trade and Economic Cooperation (Moftec).

By the end of September, bilateral trade hit \$7.96 billion, up 19.9 percent over the same period of last year.

Imports for the nine months jumped by 21.4 percent to reach \$4.81 billion and exports climbed 17.7 percent to stand at \$3.15 billion.

Occupying 37.4 percent of all trade between China and the European Union (EU), the volume makes Germany China's largest trade partner in the EU. And China is Germany's second largest trade partner in Asia.

So far, German exports to China mainly consist of high-tech products and heavy industrial goods in such sectors as energy and transportation, both crucial development points in China.

Chinese light industrial products have won popularity in Germany, said Qin Hongliang, division director of European Affairs at Moftec.

"The complementary economies of the two countries make it mutually beneficial for (Sino-German) economic ties to develop."

Qin also attributed the trade boom to the improved bilateral relationship and the thriving Chinese economy.

Following German Chancellor Helmut Kohl's China tour last year, Chinese Premier Li Peng visited Germany in July this year, resulting in 23 contacts and 22 letters of intent valued at \$1.16 billion and \$2.1 billion separately.

"German investment in China entered a new high this year," Qin commented. "Compared with a few years ago, when a wait-and-see attitude was common among

German businesses, German companies, especially large multinational ones, are swiftly expanding their business in China."

Electronics and industrial giant Siemens AG plans to expand its Chinese firms from 17 at present to around 20 by the end of the year, Qin said. Hoechst AG and Bayer have also adopted various strategies to strengthen their presence in China.

During the first half of the year, 145 German-invested ventures won authorization from the Chinese Government to open businesses in China with an accumulated contracted investment of \$450 million.

Actual investment during the period reached \$90.78 million, surpassing that of one year ago, Qin said.

Cooperation in finance and technology has meanwhile developed smoothly between the two countries, involving a total of 192 million deutschmarks (\$124 million) this year.

The German Government will provide technology assistance of 41 million deutschmarks (\$27 million) to China this year and has promised to support career training in China, Qin said.

Germany is a key technology partner of China.

At present, the two countries have 37 personnel training cooperation projects to be completed in three steps with total German financial assistance of over 260 million deutschmarks (\$167 million).

State Firm, CITIC To Explore for Oil in Bohai Wan

OW2811084294 Beijing XINHUA Domestic Service in Chinese 1245 GMT 18 Nov 94

[FBIS Translated Text] Beijing, 18 Nov (XINHUA)—China National Petroleum Corporation [CNPC] and China International Trust and Investment Corporation [CITIC] Hong Kong (Holdings), Limited, signed a petroleum contract in Beijing today to jointly invest and cooperate in exploring and developing the Beitang bloc in the coastal area of Bohai Wan.

At the signing ceremony, CNPC President Wang Tao and CITIC (Group) President Wang Jun said that the contract is an indication of effective cooperation and business connections between a state corporation and a Chinese-invested organization located outside Chinese borders. The two sides' potent economic and technological strengths, particularly when channeled through an effective business medium such as a Chinese-invested organization located outside Chinese borders, will play an active role in extensively attracting capital and advanced technology from outside Chinese borders, and quickening development of the Chinese petroleum industry and its international business and trade. The event also indicates that external cooperation in China's

onshore petroleum projects and business ventures of Chinese-invested organizations outside Chinese borders have entered a new sphere.

The 437-square km contracted zone covers the shore and very shallow waters east of Tanggu, Tianjin. Data obtained from preliminary explorations of the zone showed geological features similar to neighboring Dagang oil field and eastern Hebei oil field, which have been developed. For three months prior to the official signing of the contract, experts from both sides conducted a joint resource appraisal. The experts believe oil exploration and development in the zone are promising. The CITIC Hong Kong (Holdings) has registered the Donghua Petroleum (Bohai) Limited Company in Hong Kong to implement the project.

The contract signed today covers risk factors in oil exploration, development, and production. According to the terms of the contract, the CITIC (Group), as the operator, shall undertake various operations such as geophysical and well-drilling explorations in the contracted zone during a seven-year exploration period. Commercially viable oilfields discovered by it shall be developed through cooperation by both sides.

On-Shore Natural Gas Exploitation Makes 'Progress'

OW2811044694 Beijing XINHUA in English 0414 GMT 28 Nov 94

[FBIS Transcribed Text] Chongqing, November 28 (XINHUA)—China has made much progress in the exploitation of natural gas and it has found rich reserves in the northwestern part of Shannxi Province, the basins of Xinjiang and the eastern part of Sichuan Province.

At a recent national meeting on on-shore natural gas exploitation and development, participants held that the discovery of the rich reserves in these areas have created great prospects for the country to improve its energy structure.

It is proved that China has on-shore natural gas reserves totaling 30,000 billion cubic meters.

By using high exploration and prospecting technology and equipment, the China Oil and Natural Gas Corporation has proved that the natural gas reserves in northwest Shaanxi Province are about 150 billion cubic meters.

Meanwhile, exploration and prospecting findings have doubled the known reserves in east Sichuan and found more than 100 billion cubic meters of natural gas in the Tarim and Junggar basins in the Xinjiang Uygur Autonomous Region, northwest China.

Experts said that large natural gas fields are taking shape in the three places and their reserves may be bigger than expected.

State-Owned Firms To Become Focus of Reform in 1995

OW2811120594 Beijing *BEIJING REVIEW in English*
No 47, 21-27 Nov 94 pp 4-5

[Article by Geng Yuxin: "Reform of State Enterprises To Enter New Stage"]

[FBIS Transcribed Text] Throughout 1994, China has effectively used macro-control measures to score major progress in reform of its taxation, finance, foreign trade and investment sectors, with the effort creating favorable conditions for the further deepening of enterprise reform. The central government has decided to shift next year's focus of economic reform to enterprises, particularly the structural revamping of state-owned enterprises. In preparation for the next stage, the State Council recently held a series of meetings on the establishment of a modern enterprise system and strengthened management of state assets.

The move will provide a rare opportunity for the reform and development of state-owned enterprises, and will represent one of the most significant innovations since 1984 when the focus of China's reform, centered on the invigoration of enterprises, was shifted from the countryside to cities.

Generally speaking, state-owned enterprises have always been a pillar sector which has played a leading role in the Chinese economy. They have long been the principal suppliers of energy, transportation and telecommunications, important raw and semi-finished materials, industrial technical equipment, as well as the main source of national revenue. By the end of 1993, China had 71,600 state-owned industrial enterprises, or 19 percent of the total enterprises, which accounted for 53 percent of the country's total output value, with the sector's taxes and profits accounting for 66 percent of the total.

Since the implementation of the reform and opening policies 16 years ago, state-owned enterprises have cast aside the yokes of the highly centralized planned economic system, and have gradually become independent economic entities enjoying autonomy in management. As a result, production has developed rapidly, profound changes have taken place in enterprises, and a large group of highly competitive and viable key state-owned enterprises have emerged. Throughout the process, state-owned enterprises have shouldered the heavy burden of providing over 67 percent of the state finances, and have supported the state's implementation of different preferential policies for non-state enterprises, including collectives, individuals, private and foreign-funded enterprises. Their efforts have created a situation in which various economic sectors now compete with each other for development. Their commendable contributions and meritorious services are undeniable reality.

However, the effort to reform state-owned enterprises has encountered certain difficulties in attempts to move ahead. The sector has shouldered a heavy historical and

social burden, and has faced difficulties in transforming operational mechanisms in line with a market orientation. In fact, state-owned enterprises have been relegated to a position of unequal competition. Their rate of development has lagged behind that of non-state enterprises, with a number of enterprises suffering long-term losses hindering their survivability. It is quite obvious that lingering historical problems cannot be resolved overnight. However, next year's plan to shift the focus to enterprises will result in the adoption of plans and principles expected to provide state-owned enterprises currently in dire straits with new opportunities which will allow them to take a turn for the better.

For example, since their establishment, many large state-owned enterprises have provided employees with life support service and facilities such as housing, medical care, nurseries and schools for their children, while at the same time offering community service functions such as public security, local police stations, savings banks and tax offices. Such service and facilities will gradually be transferred to government departments and community services agencies. Older factories established in the 1950s currently shoulder a heavy burden centered on providing a considerable number of retirees with old-age pensions, medical and health-care. The problem must be resolved by accelerating reform of the social security system. At the same time, many enterprises are shouldered with heavy debt which has accrued over the years. This necessitates determining the root causes, followed by treatment of either by exemption from repayment, retaining or transferring debt in accordance with the unique circumstances of individual cases. For example, in cases where debt resulted from poor management, the enterprise concerned should bear the responsibility for repayment, and should bear the responsibility for ensuring the preservation and increasing the value of verified capital funds.

The goal of reform of state-owned enterprises is to establish a modern enterprise system easily adaptable to the requirements of a socialist market economy, and linking its operational mechanisms with those of foreign enterprises. The key to the goal lies in the establishment of an enterprise corporate system with clearly defined property rights, powers and responsibilities, and a state asset management system. These systems provide the only possible avenue for realizing the separation of the functions of the government from those of enterprise, while at the same time establishing scientific management. The systems will also legally guarantee that state assets, which account for 75 percent of the fixed assets of the industrial sectors, are ensured against loss and will circulate in a favorable direction, and will be used rationally under market regulations, thereby realizing a constant increase in value. Next year, the state will select a group of qualified enterprises to experiment with the modern enterprise system.

Of course, new opportunities will also present new challenges. Implementation of the modern enterprise

system will be a severe test for all state-owned enterprises. It is predicted that the overwhelming majority of enterprises will withstand the test and will in turn develop more rapidly. However, a small percentage of enterprises will be unable to cover debts with existing assets, and thus have little hope for reversing their loss-making position. Under this scenario, the only solution is for such enterprises to declare bankruptcy in line with the Bankruptcy Law. This being the case, it is imperative to quickly establish a social security system which includes labor insurance. Speaking in these terms, implementation of the modern enterprise system will entail large-scale cooperation between the government, related departments, enterprises and various community agencies.

Contract for Digital Transmission System Signed

OW2511133694 Beijing XINHUA in English 1237
GMT 25 Nov 94

[FBIS Transcribed Text] Beijing, November 25 (XINHUA)—A contract worth 13 million U.S. dollars was signed today between AT&T of the U.S. and the Shenzhen Posts and Telecommunications Bureau (SPTB) on the construction of new ultra-high-speed digital transmission systems and advanced digital cross-connection systems in Shenzhen, a special economic zone in south China's Guangdong Province.

Sources from AT&T said that the new synchronous digital hierarchy (SDH) systems, supplied by AT&T, will give Shenzhen its first ultra-high-speed communication links capable of transporting voice, image, data and video services at 2.5 gigabits (2.5 billion bits) of information per second—equivalent to more than 30,000 simultaneous calls—on a single pair of optical fiber lines.

The new SDH systems will enable SPTB to offer new types of sophisticated services such as real-time banking, high-speed digital data transfer, video and image transmission and ordinary telephone calls. In addition, it will also provide advanced services such as free phone and credit card calls.

The sources said that the new systems, scheduled to start operation early next year, will put SPTB in the forefront of southern China's information superhighway with the capability of meeting the growing demand for advanced telecommunications services in the area.

Earlier this month, an SDH link between Guangzhou and Hong Kong, a co-operative tie-up between AT&T

and the Guangdong Provincial Posts and Telecommunications Bureau, has already started operation.

AT&T is one of the leading foreign companies co-operating with China in the field of telecommunications. At present, AT&T and its partners operate seven joint-venture companies in China in switching, transmission, fiber-optic cable manufacturing and telecommunications consumer products.

More Than 42 Million Magnetic Telephone Cards Issued

OW2511100894 Beijing XINHUA in English 0927
GMT 25 Nov 94

[FBIS Transcribed Text] Beijing, November 25 (XINHUA)—China has issued more than 42 million magnetic telephone cards, to date, with a total face value of two billion yuan.

Altogether, some 17,600 magnetic card telephones have been installed around the country, according to Guo Kuichao, senior engineer of the Directorate General of Telecommunications (DGT) of the Ministry of Post and Telecommunications.

Guo said that since 1987 when magnetic card telephones first appeared in Guangdong Province, the comparatively new business has been quickly accepted for its multi-purpose convenience. All of the country's 30 provinces, municipalities, and autonomous regions have this service by now.

He said that all the local telecommunications departments have been issuing magnetic cards which are valid only within their territories. The DGT began to issue nationally valid magnetic telephone cards in August of this year, and two sets have so far been issued, with a third set to be issued next month.

At present more than 1,000 types of magnetic telephones cards are in use throughout the country, and even collecting the cards as a new hobby for many people. Guo said that over 30 percent of the cards issued are in the hands of collectors.

He revealed the fact that next year the DGT plans to issue seven sets of nationally valid cards, and that the number of magnetic card telephones will be doubled.

In addition, an intelligent card telephone has already been listed among development plans of related departments, and it is expected to appear in major Chinese cities soon.

East Region**Fujian Secretary on Strengthening Grass Roots***HK2511122594 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 21 Nov 94*

[FBIS Translated Excerpt] Yesterday the provincial party committee held an enlarged standing committee meeting to conscientiously study the instructions of the party Central Committee's national meeting on rural grass-roots organizations.

This enlarged meeting called on the participants to pay close attention to improving rural grass-roots organizations throughout the province. The provincial party committee has decided to convene a provincial meeting on work concerning rural grass-roots organizations in the period after the New Year and before the Spring Festival to make detailed arrangements for the implementation of the instructions of the national meeting on rural grass-roots organizations. Provincial CPC Secretary Jia Qinglin presided over the meeting and made an important speech. [passage omitted]

Prior to the meeting, the participants studied the party Central Committee's circular and relevant documents on strengthening rural grass-roots organizations. The participants said: The national meeting on rural grass-roots organizations was an important meeting which implemented the spirit of the Fourth Plenary Session and stressed the need to pay attention to rural grass-roots organizations. [passage omitted]

In his speech, Jia Qinglin stressed: We must integrate the study of the spirit of the national meeting with the study of the spirit of the Fourth Plenary Session and should guide party-member cadres in unifying their understanding of the importance of strengthening rural grass-roots organizations in this new period to form a thick atmosphere of strengthening rural grass-roots organizations. Jia Qinglin asked all prefectural and county party committee leaders to go to the rural areas for investigation to obtain first-hand information. He said: Through investigation, they will be able to correctly judge the rural situation, understand the situations of grass-roots party organizations and other types of organizations, and work out detailed methods according to the ideological trend, work, and problems of grass-roots cadres. [passage omitted]

Jia Qinglin demanded: All levels of leaders must focus on economic construction and pay close attention to developing agricultural production, ensuring the supply of essential products, increasing the peasants' income, and bringing about moderate prosperity. [passage omitted]

The improvement of party branches, which is a key issue, must be given full attention. In the period before the Spring Festival, special attention must be paid to rectifying weak, lax, and paralyzed village party branches. All levels of leaders must strengthen their

leadership over rural grass-roots organizations and this must long remain. [passage omitted]

Coal Mine Explosion Kills 10 in Jiangsu*OW2611081894 Nanjing Jiangsu People's Radio Network in Mandarin 23250 GMT 25 Nov 94*

[From the "Provincial News Hookup" program]

[FBIS Translated Text] At 1430 [0630 GMT] on 24 November, a surface coal seam explosion occurred in Nantong's (Yongxing) Coal Mine, which is located in Suzhou Municipality, killing 10 people and seriously injuring two. Ji Yunshi, member of the Standing Committee of the Jiangsu CPC Provincial Committee and executive vice governor of Jiangsu, rushed to the scene to hold a meeting to deal with the accident. He called for efforts to do a good job in dealing with the aftermath of the accident so as to stabilize the workers' morale and ensure safety in production. He also urged coal mines in the province to draw a lesson from this accident and improve safety measures.

Leaders of the relevant provincial departments and of the Nantong and Xuzhou municipal governments also rushed to the scene of the accident to investigate and deal with the accident.

Southern Jiangxi Upgrades Telecommunications*OW2611160594 Beijing XINHUA in English 1450 GMT 26 Nov 94*

[FBIS Transcribed Text] Nanchang, November 26 (XINHUA)—Program-controlled switch boards and digital telephone transmission have markedly upgraded long-distance calls in all 18 counties and cities in the southern part of Jiangxi province, an old revolutionary area in East China.

Early this morning, the adjustment on the last piece of such advanced communication equipment was completed in Dayu County in this southern part, which is inhabited by 7.4 million people.

Before this, outdated telecommunication facilities had been restraining the growth of local economy, which in turn hindered the development of the area's communications.

Since March this year, government at all levels have poured 440 million yuan (about 51.6 million U.S. dollars) to construct new telecommunication buildings and install new program-controlled switchboards.

As a result, the total capacity of switchboards has reached 112,000 lines in the area.

Shandong Province Helps Unemployed Find Work*OW2711155994 Beijing XINHUA in English 1547 GMT 27 Nov 94*

[FBIS Transcribed Text] Jinan, November 27 (XINHUA)—East China's Shandong Province has been trying

hard to help more unemployed people find new jobs since the beginning of this year.

According to local officials, the province has implemented a "reemployment project" this year following a plan of the Ministry of Labor.

The province has introduced unemployment relief, employment service and started training courses of practical skills for the jobless.

From January to October this year, the province had helped 16,000 unemployed people find new jobs by way of implementing the "reemployment project", up 17 percent over the same period last year.

Qingdao and Yantai, two coastal port cities of the province, have decided to offer a large sum of money, composed of unemployment relief funds and money previously set aside to cover up medical expenses, to those jobless who would like to become self-employed businessmen. The money is used as the starting capital for launching businesses.

Qingdao City has provided employment advice and technical training to about 5,200 unemployed people in the city since the beginning of this year, accounting for 98 percent of the total unemployed population in the city.

The reemployment project was first launched early this year in a dozen provinces and municipalities including Beijing and Shanghai cities, and Shandong, Hebei and Zhejiang provinces. The project will be spread nationwide next year, according to officials from the Ministry of Labor.

New Private Business Register in Shandong

OW2711161394 Beijing XINHUA in English 1601
GMT 27 Nov 94

[FBIS Transcribed Text] Jinan, November 27 (XINHUA)—Some 1,100 new private businesses got registered each month in the first half of this year in east China's Shandong Province.

By the end of June, a total of 25,000 private businesses have been set up in the province, employing more than 370,000 people, according to an official from the provincial administration for industry and commerce.

Each of the 15 biggest among the new private enterprises has at least ten million yuan (1.1 million U.S. dollars) as registered capital.

In the first half of this year, output, income and retail sales of the private sector were up 140 percent, 200 percent and 240 percent respectively.

The official said that of number of private enterprises engaged in agriculture jumped from zero to some 100 and more than 10,000 enterprises have become involved in the service sector.

Export-oriented enterprises increased to 130, earning 119 million yuan in the first six months of 1994, according to the official.

The quality of employees is also improving. There are 1,100 scientific and technical personnel, and 2,000 who have a college background.

More and more private enterprises now emphasize cooperation with state-run, collectively-owned and foreign-funded enterprises in different ways, including setting up shareholding companies.

Shanghai Welcomes Foreign Investment Housing

HK2511151694 Beijing ZHONGGUO XINWEN SHE
in English 1405 GMT 25 Nov 94

[FBIS Transcribed Text] Hong Kong, November 25 (CNS)—Director of the Shanghai Municipal Housing Administration, Mr. Cai Yutian, said here today that the general situation of real estate sector was good in the city with apartments for domestic buyers being in great demand, while those designed for foreigners being sold at a comparatively slower pace. Therefore, foreign businessmen are encouraged to put their investment in construction of apartments for domestic buyers.

Mr. Cai made these remarks at a news briefing held here on development of real estate items in Huangpu District of Shanghai City. According to the director, apartments designed for domestic buyers have become a big seller in the city. This is mainly resulted from the following factors: the city's implementation of a scheme on "Building Apartments for Every Resident", the increasing demand on apartments for residential resettlement purpose, the enhancing residential power of purchasing flats and the increasing demand on housing by enterprises and companies set up in the city by other provinces and cities in the country. As for housing designed for foreign buyers, Mr. Cai said, though there would be good prospects in this sector in a long-term point of view, the already-constructed buildings designed for foreign buyers was being sold at a comparatively slow pace at present.

Mr Cai expressed that the city would offer enough land at lower prices for real estate development by foreign businessmen as well as a series of other favored treatments to them.

Zhejiang City Issues Pension Regulations

OW2711151594 Beijing XINHUA in English 1504
GMT 27 Nov 94

[FBIS Transcribed Text] Hangzhou, November 27 (XINHUA)—Xiaoshan City in east China's Zhejiang Province has promulgated new local regulations on old-age pension insurance relating to enterprises involving overseas investment.

The new regulations, made known by the city legislature, stipulate that all Chinese employees working in the

Sino-overseas joint ventures, cooperative enterprises or businesses with sole foreign investment shall undertake endowment insurance policy.

Under the new system, the company, including those township enterprises, and its individual employee will share the insurance premium, with the former covering a sum amounting to 22 percent of the total salary of the employer, and the latter paying the amount equal to 3 percent of his salary.

The premium is to be collected by the People's Insurance Company of Xiaoshan City, and the interests of the premium will be added to the old-age pension fund.

The employee is entitled to draw his old-age pension when reaching the age defined by the regulations.

Central-South Region

Guangdong Governor on Mountain Area Development

OW2711101594 Beijing XINHUA in English 0634
GMT 27 Nov 94

[FBIS Transcribed Text] Beijing, November 27 (XINHUA)—Poverty-stricken areas in south China's Guangdong Province have achieved higher economic growth rate compared with the average level of the province, according to Zhu Senglin, governor of the province.

The poor areas in this rich province are mostly mountainous areas. For a long time the poor natural condition has affected local economic progress.

As a result of hard work for years, the situation has been changing. The mountainous areas have attached importance to developing high-yielding, quality and high-efficiency agriculture, township enterprises and open-up programs, said Zhu.

Zhu made the remark at a recent provincial meeting on development of mountainous areas.

According to the provincial official statistics, the 50 mountainous counties and cities made gross domestic products (GDP) of 63.74 billion yuan (about 7.7 billion U.S. dollars) in 1993, 27.3 percent up over the previous year. Total industrial and agricultural output value was 88.056 billion yuan (over 10 billion U.S. dollars), 35.4 percent up. The total income of township enterprises grew to 50.513 billion yuan (about 6 billion U.S. dollars), 69.1 percent up. And per capital income for farmers reached 1,368 yuan, 27.6 percent more than the previous year.

All these economic indexes are 2 to 5 percentage points higher than the average level of the province.

The local governments have directed peasants to reform traditional agricultural production structure according to local natural conditions.

Telecommunications and transportation have been also improved greatly in the mountainous areas. About 98 percent of mountainous towns have access to highways, and 450 towns have been installed with automatic telephones.

The improving investment environment has lured more overseas funds.

In the first nine months, six mountainous cities utilized foreign funds of 698 million U.S. dollars.

Guangdong's Jan-Oct Exports Rise 90.4 Percent

HK2811075794 Beijing CHINA DAILY in English 28
Nov 94 p 2

[By Zheng Caixiong: "Guangdong Boosts Industrial Exports"]

[FBIS Transcribed Text] Guangzhou—Industrial and processing products, accounting for 92 percent of total exports, dominated Guangdong's export trade in the first 10 months of this year and exceeded targets.

Exports hit \$38 billion between January and October, up 90.4 percent over the same period in 1993.

Exports of textiles and garments totalled more than \$4 billion; shoes reached more than \$2 billion by the end of October.

Exports of toys, household appliances, arts and crafts, and electronics were each more than \$1 billion.

Agricultural products, including vegetables and live-stock, which played a big part in exports in previous years, were only a small percentage of Guangdong's exports.

Imports were \$26.5 billion, an increase of 78.3 percent compared with the same period in 1993. Guangdong mainly imported production, telecommunications and transportation equipments; steel; chemicals and everyday products.

Hong Kong, Japan, the United States and the European Union are the province's top trading partners.

The big increase in foreign trade is due to the introduction of new reforms, said Xu Dezhi, director of the Guangdong Provincial Commission of Foreign Economic Relation and Trade. Reforms include the unified two-tier foreign currency exchange rate, which greatly boosted foreign trade since the beginning of the year.

Foreign trade hit \$46.99 billion in Guangdong in 1993. The province exported \$27 billion worth of products while importing \$19.9 billion in goods.

Despite a flood and typhoon which hit the prosperous province this summer, price hikes and a lack of money, Guangdong continued to be a hot spot for foreign investment, said Xu.

Guangdong attracted \$9.4 billion in foreign investment in the first 10 months, up 37.3 percent over the same period in 1993. Last year Guangdong used \$9.64 billion in overseas investment.

To boost the province's foreign trade and attract more overseas investors to support its economic construction, Guangdong is putting on an investment and trade fair in Los Angeles in the United States early next month Xu said on Thursday.

Foreign Companies Bid for Guangzhou Airport

HK2711083494 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 27 Nov-3 Dec 94 p 6

[By Zheng Caixiong: "Investors Circling Airport Project"]

[FBIS Transcribed Text] Guangzhou—Heavy weight foreign companies are stepping up to the plate in Guangzhou to build the city's new airport, according to an official in charge of the gigantic project.

Big name companies and financial groups from the United States, Britain, Japan, Australia, the Netherlands and Switzerland are negotiating to have a part in the new airport's construction, said Zhang Chunlin president of Guangzhou Baiyun International Airport.

The new Guangzhou airport welcomes overseas firms to join hands in construction and management," Zhang said.

Preparatory work for the project is expected to win approval from the central government in the first half of 1995, but construction of infrastructure facilities is well underway.

Guangzhou's present airport—Baiyun—has seen passenger traffic increase 15 percent per year over the past several years, reaching over 10 million passengers last year. Now, it is China's second largest airport following Beijing International Airport.

Guangzhou's new airport is expected to cost over 17.5 billion yuan (\$2.1 billion) including a 30-kilometre expressway to the city proper. That project alone will cost 2.5 billion yuan [figure indistinct].

Located in Huadu, the 15.41-square-kilometre airport is designed to take Boeing 747 and even larger aircraft.

By 2005, the new airport will be able to cope with 27 million passengers and 740,000 tons of cargo a year upon completion of the airport's first phase construction.

Recently-listed projects include runways, aircraft parking area, terminal, hotel, parking space and related facilities.

Construction of two 60-metre-wide runways of 4,000- and 3,700 metre lengths and aircraft parking areas handling 72 planes is expected to cost 1.83 billion yuan (\$215.3 million).

With a floor space of 280,000 square metres, the terminal will be able to deal with 10,000 passengers in peak hours and includes Western and Chinese style restaurants, shopping centres, duty-free shops and other entertainment facilities. Construction of the terminal, including importing advanced managing equipment, is estimated at 2.9 billion yuan (\$341.2 million).

The cargo transportation station handling 740,000 tons annually, will cost 220 million yuan (\$26 million), and the parking building and parking areas, which will be able to handle 134 buses, 1,842 middle and minibuses and 1,950 taxis are expected to need 50 million yuan (\$5.9 million).

A 200-million-yuan (\$23.5 million) airport hotel with 800 beds will also be built, with a planned floor space of 25,000 square metres.

And a 50 million yuan (\$5.9 million) aviation food processing industrial company has also been included in the new airport project and seeks foreign investment and co-operation.

Meanwhile, the present Baiyun Airport will close and make available for foreign investors for development when the new airport starts operation, Zhang said.

Land leasing of the old Baiyun Airport is expected to raise two-thirds of the total investment for the new airport, Zhang said.

More People Reported Well-Off in Guangdong

OW2811100894 Beijing XINHUA in English 0804 GMT 28 Nov 94

[FBIS Transcribed Text] Beijing, November 28 (XINHUA)—Households in 74 cities and counties of south China's Guangdong Province have become fairly or nearly well-off, according to the Shanghai-based "CITY REPORT" newspaper.

The cities and counties make up 67 percent of total in this prosperous province, the paper said, citing the results of a survey recently conducted in Guangdong.

In 1992 the provincial government established standards in a bid to judge whether farmers are well-off or not.

According to the standards, the per capita income of farmers should top 2,059 yuan (about 242 U.S. dollars) annually, and each person should own over 18 sq m of dwelling space.

In these areas the per capita expenditure on food accounts for less than half of the total living expenses, and everyone consumes more than 50 kg of meat, eggs and fish each year.

All the local farmers own major household electrical appliances and telephones. All of them enjoy health care, and nine-year compulsory education for children is in force.

The conditions of transportation, electricity and drinking water supplies also are satisfactory, the paper said.

A comprehensive social security system has been set up in 95 percent of the towns of these areas so far.

The affluent areas mainly are situated in the delta area of the Pearl River and coastal areas, including administrative areas of Guangzhou, the provincial capital, the special economic zones of Shenzhen, Zhuhai and Shantou, and the southern port city of Zhanjiang.

Cities in Guangdong To Get 7-Digit Phone Numbers

OW2811100994 Beijing XINHUA in English 0821
GMT 28 Nov 94

[FBIS Transcribed Text] Guangzhou, November 28 (XINHUA)—Beginning December 4, telephone numbers in Zhaoqing, Shaoguan and Shunde cities in Guangdong Province will be expanded from six to seven digits, a provincial communications official said.

Earlier this year telephone numbers were upgraded in four other cities—Zhuhai, Jiangmen, Zhanjiang and Zhongshan—in this economically booming province in south China.

The official said that by the end of next year all the province's 23 cities and more than 60 counties will have seven-digit telephone numbers.

It is learned that, starting January 1 next year, telephone numbers in the province's neighbor of Hong Kong will be raised to eight digits.

So far, all switchboards in Guangdong have an overall capacity of 6.71 million lines, accounting for one seventh of the country's total. By contrast, there were only 210,000 lines in 1978, when the national economic reform started.

By the end of next year the province's overall telephone capacity is expected to reach ten million lines, the official said.

Nationwide, telephone numbers in 29 large and medium-sized cities in 16 provinces and autonomous regions will have been expanded from six to seven digits by December 4 since January this year.

Guangdong Livestock Farms Getting Bigger

OW2811102994 Beijing XINHUA in English 1007
GMT 28 Nov 94

[FBIS Transcribed Text] Guangzhou, November 28 (XINHUA)—Traditional courtyard livestock raising has been replaced by modern and large-scale breeding farms in Guangdong Province, south China.

So far, there are 100 pig-raising farms with fine species and advanced raising techniques, each of which is able to raise over 5,000 pigs a year. The biggest one is able to breed 100,000 pigs a year.

Meanwhile, there are about 150 domestic poultry farms across the province, which have introduced one million birds of fine species from abroad.

Up until a few years ago farmers used to raise only one or two pigs and a dozen or so chickens around their farmhouses, which were consumed by their own family in most cases.

And instead of household leftovers and pig swill, livestock in these advanced farms are fed with specific feed.

Accordingly, more than 300 factories in the province have been set up to develop and produce feed materials.

Along with the booming market economy, about 90 percent of local animal and poultry products go to markets, and some are exported to neighboring Hong Kong and Macao.

Shenzhen Economic Growth Momentum Continues

OW2711024394 Beijing XINHUA in English 0138
GMT 27 Nov 94

[FBIS Transcribed Text] Shenzhen, November 27 (XINHUA)—Shenzhen, a fast-growing industrialized city on the pearl river delta in south China, is keeping up its growth momentum in the 1990s.

As an internationally famed pace-setter of China's economic reforms, the city leads the country in all-round economic development and in a new upsurge of technical revolution.

It became China's first special economic zone in 1980.

Comparing 1990 with 1993, the city's output value soared from 14.4 billion yuan to 41.4 billion yuan, representing an average annual increase of 44.9 percent; the revenue jumped from 2.1 billion yuan to 6.7 billion yuan, up by 45.8 percent; the industrial output value rose from 19.5 billion to 48.8 billion yuan, up by 35.6 percent; and the commodity retail sales value surged from 6.8 billion to 16.1 billion yuan, up by 33 percent.

The 12 trading ports in Shenzhen handled a total of 25 million tons of cargo last year, making the city one of the top-ten port cities in China. The Shenzhen airport became the fifth-busiest airport nationwide.

During the current industrial renovation drive, enterprises featuring processing with supplied samples, materials and designs have been replaced by the manufacturing of new- and high-tech products.

A network of new technology items, including computerization, micro electronics, new materials and bio-engineering is taking shape.

As a result, the city's output value of electronic products has ranked first in the country for four years running. The output value of new- and high-tech products totalled 7.7 billion yuan in 1993, making up 13.4 percent of the city's gross industrial output value.

Tertiary trade has expanded rapidly over the past few years in this city of three million people. Commerce, finance, communications, real estate and tourism have become pillar industries.

The city is among China's largest exporters, recording an export value of 14.3 billion U.S. dollars in 1993.

Last year the city signed 5,804 contracts with overseas investors, with a total contractual value of 2.7 billion U.S. dollars.

So far, the ratio of exports in Shenzhen's gross industrial output value has risen to 53.6 percent, well above that of any other city in China.

In the wake of economic development, public utilities have been improved greatly, creating a better living environment for local residents. The city has built seven new hospitals and a TV station, opened two FM channels and four cable TV programs, and expanded the greened areas by 232 ha.

While devoting itself to export-oriented development, the city is also paying great attention to co-operation with inland Chinese provinces.

In 1989 the city invested only 200 million yuan in projects in other parts of the country. But the figure had jumped to four billion yuan at the end of last year.

Shenzhen is in an important transition period, said Jiang Zemin, general secretary of the Central Committee of the Chinese Communist Party, during a recent tour of Shenzhen. The all-round economic development has laid a solid foundation for an enormous leap forward.

Henan Holds Meeting on Rural Party Branches

HK2411105994 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 18 Nov 94

[FBIS Translated Excerpt] A provincial meeting on strengthening rural grass-roots party organizations opened in Zhengzhou yesterday. Leading comrades attended the meeting, including [provincial Secretary] Li Changchun, [provincial Governor] Ma Zhongchen, Ren Keli, Song Zhaosu, Wu Guangxian, Song Guochen, Ma Xianzhang, Zhang Wenbin, and Li Chengyi. Henan Provincial CPC Deputy Secretary Song Zhaosu presided over the morning session and CPC Deputy Secretary and Governor Ma Zhongchen relayed the instructions of the national meeting on strengthening rural grass-roots party organizations. On behalf of the provincial party committee's standing committee, provincial CPC Deputy Secretary Ren Keli presented a speech entitled: "Improving

Rural Grass-Roots Organizations to a New Level To Cope With the New Situation of Reform and Development."

In his speech, Ren Keli pointed out: We must fully understand the importance of strengthening rural grass-roots party organizations in this new situation. In recent years, all levels of party committees in the province have actively explored ways to strengthen rural grass-roots party organizations and have done a great deal of effective work. The situation in rural grass-roots party organizations in the province is good on the whole and the main aspects of cadres are good. However, there are still problems to be resolved in this new situation.

Ren Keli continued: In this new period, there must be five good's in strengthening rural grass-roots party organizations, namely: Forming a good leading group with a good party branch secretary; cultivating and training a good contingent; choosing a good method of economic development; establishing a good operational mechanism; and building a good management system. There are three key points in strengthening rural grass-roots party organizations: First, strengthening rural grass-roots party organizations must be aimed at developing the economy, increasing the peasants' income, and bringing about moderate prosperity; second, it must focus on improving party branches and selecting good party branches; third, long-term interests must be taken into account, the new situation must be studied, and effective ways must be explored to fundamentally improve rural grass-roots party organizations.

Ren Keli pointed out: Although there are not many weak, lax, and paralyzed rural party branches in our province, the most important task in strengthening rural grass-roots party organizations is to rectify these party branches so as to change their features as soon as possible. Therefore, the provincial party committee has decided to rectify weak, lax, and paralyzed party branches in three years, by stages, and in groups. All levels of party committee must follow the provincial party committee's requirements in carrying out this rectification to ensure the rectification's quality.

Ren Keli stressed: Provincial, city, prefectural, and county party committees have an important responsibility in strengthening rural grass-roots party organizations but the key lies with county and city party committees, which must take this rectification work as an important topic on their agenda. [passage omitted]

Henan Notes 'Grim' Cotton Procurement Situation

HK2811075994 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 22 Nov 94

[FBIS Translated Text] Yesterday [22 November], the provincial government issued a notice on the situation of cotton, grain, and oil procurement in the province. As indicated by the notice, the procurement of cotton, as

well as of fall grain and oil, has entered a crucial period. Generally speaking, grain and oil procurement is good and the process is fast, but cotton procurement is very unideal and the situation is very grim. By 20 November, fall grain procurement totaled 1.599 million metric tons, accounting for 64 percent of the plan. The cities of Anyang, Zhumadian, and Puyang, as well as Pingdingshan Prefecture, had fulfilled the procurement plan; Zhoukou Prefecture, as well as the cities of Hebi, Kaifeng, Xinxiang, and Xuchang, were slow in procurement and had fulfilled less than 50 percent of the plan. By 20 November, the procurement of oil-bearing crops totaled 115,000 metric tons, accounting for 56.5 percent of the plan. Pingdingshan, Puyang, and Anyang had fulfilled the procurement plan, while Xinxiang, Zhoukou, and Xuchang had fulfilled less than 40 percent of the plan. By 20 November, cotton procurement in the province totaled 134,742 jin, accounting for 23.43 percent of the procurement plan, 60,012 jin less than in the same period last year. The following cities' and prefectures' cotton procurement was slower than the provincial average: Xinyang Prefecture fulfilled [figure indistinct] of the procurement plan; Nanyang City, 48.88 percent; Luohe City, 39.15 percent; Xuchang City, 31.44 percent; Shangqiu Prefecture, 27.09 percent; and Kaifeng City, only 10.35 percent. What must be pointed out in particular is that Nanyang, Lankao, Qixian, and Fugou Counties, which are listed among the 22 fine-quality cotton production bases operating under state assistance, were slow in cotton procurement.

In conclusion, the notice points out: Judging from the results of procurement since the beginning of November, cotton procurement still remains a weak link in grain, cotton, and oil procurement. There are fewer than 10 days from now to the end of this month, so all localities must fully understand the grim situation in cotton procurement; strengthen their sense of urgency; take effective measures to exercise stricter management over the markets; and fulfill 60 percent of the cotton procurement plan at the end of this month, while striving for 70 percent, along with 80 percent fulfillment of the grain and oil procurement plans.

Large Hydropower Station Completed in Hubei

OW2611132394 Beijing XINHUA in English 1307
GMT 26 Nov 94

[FBIS Transcribed Text] Wuhan, November 26 (XINHUA)—A large hydro-power station, with a total installed capacity of 1.2 million kilowatts, was completed today in central China's Hubei Province.

The fourth generating unit of the Geheyan Hydropower Station started to generate electricity today on the Qingjiang River, a major tributary of the Chang Jiang River, marking the completion of the principal part of the project one year ahead of schedule.

The construction of the power station started at the beginning of 1988. As a national key project, the station

has cost a total investment of 3.6 billion yuan, including 108 million U.S. dollars in loans from the Canadian Government.

The power station will be a leading electricity supplier to central China's Hubei, Hunan, Henan and Jiangxi provinces.

Experts say that the project is located in a place with complicated geological conditions. Constructors have adopted many advanced techniques in building the dam and shipping facilities.

In addition, officials said that they plan to build two other hydropower stations on the Qingjiang River in the coming decade, bringing the total installed capacity to 3.29 million kilowatts on the river.

These power stations are expected to help develop mountainous areas rich in natural resources and inhabited by ethnic Tujia and Miao people.

Income of Farmers in Hubei Increases

OW2711151294 Beijing XINHUA in English 1404
GMT 27 Nov 94

[FBIS Transcribed Text] Wuhan, November 27 (XINHUA)—The net annual income of farmers in central China's Hubei province averaged 1,112 yuan this year, 30 percent more compared with last year's figure, according to a recent provincial survey.

This was the biggest rise in the farmers' income in the history of Hubei.

The survey attributed the increased income to an all-round agricultural development as a result of more government investment in agriculture and introduction of modern agro-technology.

Provincial statistics showed that this year Hubei yielded 24 million tons of grain, an increase of 750,000 tons over the 1993 figure, 500,000 tons of cotton, an increase of 50,000 tons, and 1.33 million tons of oil-bearing crops, an increase of 212,500 tons.

The output of animal by-products, forest-related products and fruit also showed considerable increases.

The survey showed, each farmer got an additional 250 yuan from the rising of the purchasing price for farm produce, accounting for 70 percent of the increase in their average yearly income.

In addition, the high-yield grain fields in Hubei have expanded to 666,600 ha. And high-yield cotton fields have grown to 200,000 ha.

Hunan Leaders Urge Financial Resource Building

HK2811071994 Changsha Hunan People's Radio
Network in Mandarin 2300 GMT 23 Nov 94

[FBIS Translated Text] Yesterday afternoon [23 November], the conference hall of Changsha's Furong

Guest House was filled with a warm and solemn atmosphere. Witnessed by provincial party and government leaders Wang Maolin, Chen Bangzhu, Wang Keying, Dong Zhiwen, and (Deng Youzhi), the principal leaders of 14 prefectures, autonomous prefectures, and cities in our province solemnly affixed their signatures to the Hunan Provincial Financial Resources Target-Completion Written Pledges for 1995-2000. Thus the province's grand project to build financial resources has formally begun. In accordance with the decision by the provincial party committee and government on further strengthening the building of financial resources and on strictly managing financial affairs—with the 1993 financial revenues of various prefectures, autonomous prefectures, and cities as the basic figure—the provincial financial department worked out a plan for targets in the building of financial resources during the 1995-2000 period.

At yesterday's meeting, provincial party secretary Wang Maolin made an important speech, in which he urged party committees and governments at all levels to put the distribution of local financial resources on the agenda as an important task. Wang Maolin pointed out: The key to the building financial resources at the county level lies in developing production. Without developing production, building financial resources will be empty talk. Being a predominantly agricultural province, in order to pay close attention to building financial resources, Hunan first of all must do a good job in organizing the production and fine processing of grain, cotton, and edible oil. At the same time, it must invigorate existing industry, state commerce, and supply and marketing cooperatives, and must vigorously develop the new growth sectors of the national economy, such as town and township enterprises, and demonstration industries.

After discussing his views on the tasks in building financial resources, Governor Chen Bangzhu made an important speech on completing the various fiscal and tax targets for this year. He stressed: There are only 40 days left until the end of the year. It is my hope that party and government leaders holding primary responsibility—as well as comrades in the banking, financial, and taxation departments—will work in close coordination and with great determination to fulfill in a satisfactory manner the various fiscal and tax tasks for the year.

North Region

Beijing Party Secretary on Antipornography

SK2811065594 Beijing BEIJING RIBAO in Chinese 18 Nov 94 p 1

[By reporter Ding Yatao (0002 0068 7290): "Chen Xitong, Secretary of the Beijing Municipal CPC Committee, Urges Further Expanding the Dynamics of Eradicating Pornography and Attacking Unlawful Publications"]

[FBIS Translated Text] The standing committee meeting of the municipal party committee, sponsored on 16 November, discussed implementing the guidelines of the instructions of the party Central Committee as well as resolutely and unswervingly waging the struggle against pornography and unlawful publications. Chen Xitong, secretary of the municipal party committee, pointed out: The campaign attacking "the manufacturing of and traffic in pornographic goods" and "unlawful publications" is of extreme importance to the capital's socialist spiritual civilization as well as the physical and mental health of hundreds of millions of youngsters. This is a long-term arduous work. Thus, it is necessary to further expand the dynamics of the struggle. All districts, counties, units, and departments should assume responsibility in this regard. It is necessary to strengthen the responsibility system. Municipal leaders Zhang Jianmin, Wang Daming, Li Zhijian, Zhang Baifa, Wang Baosen, Wang Tong, Yang Zhaoshi, Qiang Wei, and Chen Dabai attended the meeting.

At the meeting, Long Xianmin, executive deputy director of the Propaganda Department of the municipal party committee and deputy head of the municipal leading group for eradicating pornography, reported on the municipality's recent situation in "eradicating pornography and attacking unlawful publications." Through the autumn campaign launched recently, the municipality confiscated 313 obscene books, and banned the sale of 18,134 copies of books and 4,430 calendars; discovered a number of pirated video and audio tapes as well as CDs; banned 72 unlicensed bookstands; and made appropriate achievements in eradicating pornography and attacking unlawful publications. However, some problems still exist in the municipality's book, paper, periodical, and audio and video tape markets. The tasks for further expanding the dynamics of "eradicating pornography and attacking unlawful publications" and strengthening the management of book, periodical, and audio and video tape markets are extremely arduous.

In his speech, Chen Xitong affirmed the municipality's achievements in "eradicating pornography and attacking unlawful publications" made in the preceding stage. He said: Through a series of strict attacks and management, the municipality has effectively controlled the manufacture of and traffic in pornographic goods and unlawful publications, and comprehensively maintained the health of the municipality's cultural, book, and periodical markets. With the concern of the leaders at various levels, district and county party committees across the municipality have brought the work of eradicating pornography and attacking unlawful publications into line with their work agenda. Thanks to the harmonious cooperation of various departments, the municipality has implemented the guidelines of the central instructions on "eradicating pornography and attacking unlawful publications." As of now, increasingly more people have reported on the activities of manufacturing and trafficking in pornographic goods, and increasingly

more pornographic and unlawful publication cases have been cracked. This indicates that the masses have preliminarily been mobilized. Summing up the experiences gained in the preceding stage, and clearly understanding the laws governing the manufacturing of and traffic in pornography, is very good in waging the struggle in the foreseeable future.

Chen Xitong pointed out: Current work achievements cannot be overestimated. As a political and cultural center of the country, Beijing undertakes an extremely arduous task for purifying the capital's cultural, book, and periodical markets. Thus, we must do our best and bring our functions into full play in launching this campaign. This is a long-term task. Along with the continuous modernization of the publication means and the diversification of the propaganda channels, this struggle becomes more arduous and complicated and should be waged for a longer period of time. Therefore, we should foster the concept of waging a long-term struggle and treating diseases by looking into both their root cause and symptoms.

Chen Xitong added: We should strengthen the system of responsibility for the management of cultural markets, and should mobilize the enthusiasm of all units. All districts and counties should really assume responsibilities in the publication, printing, transportation, distribution, and market channels. Simultaneously, we should formulate regulations and systems to strengthen the management of publications, printing, and distribution units. We must not only impose fines on the units in violation of laws and revoke their licenses, but also call their leaders to account. To further expand the dynamics of "eradicating pornography and attacking unlawful publications," we should guarantee the supply of capital personnel and the setup of organizations to actually meet the demands of the struggle. It is necessary to expand the mass supervision contingents, to invite increasingly more personnel for supervising and examining the book and periodical markets, and to bring into full play the functions of activists. Chen Xitong urged that from now on, we should pay firm attention to formulating work plans for the coming winter and spring, and to make work arrangements. All departments should take the overall situation into consideration; work in close cooperation with one another; wage a series of special struggles in the coming winter and spring; exert great efforts; get to the root of the matter; and strive to make greater achievements in the municipality's struggle against pornography and unlawful publications.

Beijing Religious Groups Resent Reports on Church

HK2811034894 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1044 GMT 25 Nov 94

[FBIS Translated Text] Beijing, 25 Nov (ZHONGGUO TONGXUN SHE)—When answering reporter's inquiries today, a person from a relevant department in Beijing Municipality said: The recent reports by news media

outside the borders concerning Beijing's Gangwashi Church do not accord with the facts, and have thus aroused resentment in religious circles in Beijing.

According to his briefing, the Beijing Municipal Christian Church Committee and the Three-Self Movement Committee of the Protestant Church of Beijing stipulated last year that pastors over the age of 70 should withdraw from the post of senior pastor, and help the younger ones manage the churches. For this purpose, the Beijing Christian Church has trained young pastors in a planned way in recent years so as to enhance their professional competence and let some young pastors take up leadership posts. This measure was supported by the great majority of Christians, and old pastors reaching the age of 70 in various churches have happily withdrawn to the second line to assist young pastors in doing a good job of management work. The 74-year-old pastor of the Gangwashi Church was unwilling to give up his authority as senior pastor. This was entirely the church's internal affair. The Beijing Municipal Christian Church can properly solve this problem itself. This affair has absolutely nothing to do with government intervention in church affairs. Recently, a very few vagrants have stirred up trouble in the name of so-called Christians. They took down the nameplate of the Office of the Gangwashi Church and destroyed the walls of the pastors' office in an attempt to create confusion. When quoting the relevant reports by the ASSOCIATED PRESS, some news media outside the border put out exaggerated stories on the issue, thus distorting the facts. This is regrettable.

It has been learned that the Beijing Christian Church is an integral whole. In the light of church needs, the church has set up eight churches, including the Gangwashi Church, the affairs of which are put under the management of the Beijing Municipal Christian Church Committee and the Three-Self Movement Committee of the Protestant Church of Beijing. In accordance with Beijing's regulations on Christian church management and church needs, these two organizations handle all affairs of the Gangwashi Church independently.

Beijing's Jan-Oct Industrial Output Reported

OW2411024694 Beijing XINHUA in English 0154 GMT 24 Nov 94

[FBIS Transcribed Text] Beijing, November 24 (XINHUA)—In the first ten months of this year, the capital city has reported industrial output valued at more than 100.1 billion yuan, an increase of 23.8 percent over the same period of last year and equal to the total for last year.

In October alone, industries at or above the township level produced goods valued at more than 10.5 billion yuan, an increase of 37.7 percent over last year.

1994 has seen all-around growth of industrial production. Of the additional 19.2 billion yuan of the January-October period, industries at the district and county

level accounted for 92.5 percent. In October, the production growth rate of state-run industrial enterprises reached 15.8 percent, hitting a record for this year.

During the July-October period last year, the city's industrial production fell six-percent monthly, mostly because of declining state-run industrial production. Since 1994, when measures were taken to solve the problem of a lack of capital, state-run industrial production has been growing steadily, pushing the growth rate of total industrial production from 16.7 percent in July to 37.7 percent in October.

The rate of production against sales and exports also grew markedly. For the January-October period, the industrial sector is reporting exports valued at 8.73 billion yuan, an increase of 43.1 percent over the same period of last year.

Savings of Beijing Residents Continue To Grow

OW2511072194 Beijing XINHUA in English 0649
GMT 25 Nov 94

[FBIS Transcribed Text] Beijing, November 25 (XINHUA)—In the first ten months of this year, Beijing residents deposited 22.3 billion yuan (about 2.56 billion U.S. dollars) in banks and putting their money in banks remains their first investment choice.

Latest statistics by the Municipal People's Bank show that this growth trend in individual savings by both urban and rural people is continuing.

According to a bank official, some 89 percent of the increase was in the form of fixed deposits.

He said that a large part of individual bank savings was believed to be put aside for education of children, old-age subsidies, buying apartments, or for accidents.

He noted that this is a result of reforms in the social welfare, medical care, employment, education, housing and old-age pension systems.

Some 17 to 20 percent of private savings are used for business operations and that portion is increasing, the official said.

Hebei Governor Addresses Cotton Purchase Conference

SK2711054794 Shijiazhuang Hebei People's Radio
Network in Mandarin 2300 GMT 25 Nov 94

[FBIS Translated Text] Addressing the second provincial radio-television rally on cotton purchasing work, which was held on 25 November, Governor Ye Liansong stressed: Party and government leaders at all levels should correctly recognize the grim situation in current purchases of cotton; should strengthen confidence; should unswervingly grasp cotton purchasing work; should increase the progress of cotton purchases; should guarantee that 70 to 80 percent of the cotton purchasing

plan will be fulfilled by 10 December; and should basically complete the task of being responsible for purchasing 7.15 million dan of cotton for local textile mills by the end of this year.

As of 24 November, the province as a whole had purchased 3.11 million dan of ginned cotton, accounting for 34.5 percent of the state contract purchasing plan, or 43.5 percent of the responsibility target of various cities and prefectures. Judging from the general situation of the entire province's cotton purchasing work, the situation in October was quite good, but the progress of cotton purchases substantially declined in November. Governor Ye Liansong gave an analysis for this, saying: According to the statistics of this year's cotton farming acreage as made by the provincial statistical bureau, and judging from the per mu yield calculated by the agricultural department, the slow progress in cotton purchase is not a question of resources but a question of work. Speaking subjectively, the slow progress during this period is caused by the slack ideology and low work efforts of party and government leaders of various localities. Thus, he called on party and government leaders at all levels to immediately adopt effective measures, give impetus to the purchasing work in specific areas, and increase the progress of cotton purchases.

Ye Liansong stated: This year, our province has put in lots of human, material, and financial resources to support the development of cotton production, thus manifesting the care and concern which the party and state have given to the broad masses of cotton growers. It is hoped the broad masses of cotton growers will give consideration to the overall situation, will enhance their sense of the task, will consciously exercise their bounden duties, and will actively sell cotton to the state to show their love for the country. This year, the state's cotton policy will remain unchanged, cotton prices have been fixed, and the purchase and marketing of cotton will not be decontrolled in the markets. Cotton growers will benefit by selling their cotton early, and will suffer losses if they sell late.

Ye Liansong called on supply and marketing cooperatives at all levels; banking, industrial, commercial, and technology inspection departments; and price, public security, and supervision departments to closely coordinate with one another during cotton purchases, to each perform its own duty, and to grasp and manage this work with concerted efforts. Meanwhile, they should also accelerate the progress of cotton processing and storage, do a good job in allocation and supply, take immediate action to publicize and mobilize cotton growers, and create an upsurge in mobilization.

Hebei Discipline Inspection Commission Session Ends

SK2611085194 Shijiazhuang Hebei People's Radio
Network in Mandarin 2300 GMT 25 Nov 94

[FBIS Translated Text] How to conduct anticorruption work at present and for some time to come next year?

The sixth session of the third provincial discipline inspection commission worked out specific plans for this. The session called on party committees and discipline inspection commissions at all levels to conscientiously study and implement the guidelines of the fourth plenary session, continue to attend to three tasks, establish and implement the work tasks, and deepen the province's anticorruption struggle.

Wu Yedu, member of the standing committee of the provincial party committee and secretary of the provincial discipline inspection commission, stressed in his report: Party committees and discipline inspection commissions at all levels should conduct in-depth and sustained anticorruption struggle in close connection with the central task of economic construction on the basis of unifying thinking. The priority of anticorruption struggle at present and for some time to come is to continuously grasp the three tasks: First, it is necessary to grasp the work on honesty and self-discipline of leading cadres, with a focus on leading cadres at and above the county section level, and extend this work to cadres at the section level of township party and government organs and enterprise leading cadres. Second, it is necessary to concentrate time and energy on investigating and handling major and appalling cases, and while investigating and handling cases on law and discipline violations involving leading cadres of party and government organs, concentrate on investigating and handling economic law and discipline violation cases with the characteristics of various trades. Prior to the Spring Festival, all levels should selectively make public a number of influential and typical cases. Third, it is necessary to deeply and protractedly conduct work on checking unhealthy trends in various departments and trades and continue to consolidate and upgrade the work of screening and straightening out the unhealthy trends of party and government organs on abusing their power to engage in business, to arbitrarily collect charges, to randomly levy fares, fines and forced donations on highways, and to travel abroad at public expense, and to screen and straighten out the problems on party and government organs using the money and belongings of enterprises without paying them, gaining honor by cheating or by exaggerating and understating achievements, the unhealthy trends in the construction market, and the disorderly management of power prices in the rural areas. It is necessary to conduct a special campaign to improve these.

Xu Yongyue, deputy secretary of the provincial party committee, gave a speech in which he pointed out: Whether we can successfully grasp these three tasks hinges on whether leading cadres at all levels can take voluntary and active actions and realistically shoulder the responsibility. He called on party committees and governments at all levels to further clarify the responsibility of grasping anticorruption work of leading cadres at all levels and establish and implement the responsibility system at all levels. The top leaders of the provincial party committee should assume full responsibility of

building party style and administrative honesty and anticorruption struggle. The deputy secretaries of party committees in charge of this work should continue to be in charge of the progress of all work, and coordinate and organize all forces to guarantee the smooth progress of this work. Other members of the party committees should be responsible for the anticorruption work of the departments they are in charge of. Leading members of governments at all levels should also clearly define their responsibilities; all trades and departments should act in accordance with the principle that if problems crop up, whoever is in charge shall be held responsible. On the one hand, they should attend to the anticorruption work of their own departments and trades, and on the other hand, they should screen and straighten out the passive and corrupt phenomena emerged within the scope of the work they are in charge of. After clarifying the responsibilities, they should stress the importance of keeping leaders in place in an effort to implement the responsibility system in places where needed. Meanwhile, it is necessary to strengthen supervision and inspection of the implementation work and strive to seek actual results.

Xu Yongye and Wu Yedu also put forward specific demands on the self development of the ranks of discipline inspection and supervision workers.

Telephones Reach Inner Mongolian Minority

OW2411024994 Beijing XINHUA in English 0208 GMT 24 Nov 94

[FBIS Transcribed Text] Hohhot, November 24 (XINHUA)—The Oroqen people, one of the smallest ethnic groups in China, no longer need to pass messages from the horseback, as a 6,000-line program-controlled telephone system has been installed in their northern homeland.

Local telecommunications official in the Oroqen Autonomous Banner (County) in the Inner Mongolia Autonomous Region said that Oroqen hunters can now dial directly to other parts of the country as well as to other parts of the world. Local people in a dozen villages now have phone links with the outside world.

Previously, there were only a few old style telephones in the banner. However, the local government has spent more than 20 million yuan over the past few years for the construction of the new telephone system.

The Oroqen people number only 6,900.

Tianjin Conference on Rural Organizational Construction

SK2511121094 Tianjin People's Radio in Mandarin 2300 GMT 24 Nov 94

[FBIS Translated Text] On the morning of 24 November, the municipal party committee and government held a work conference on the construction of the rural grass-roots organizations to relay the guidelines of

the national work conference on the construction of the rural grass-roots organizations and to arrange the municipality's tasks for building the rural grass-roots organizations.

Gao Dezhan, secretary of the municipal party committee, made an important speech at the conference. Zhang Lichang, deputy secretary of the municipal party committee and mayor of the municipal government, chaired the conference. Li Jianguo, deputy secretary of the municipal party committee, relayed the CPC Central Committee's circular on strengthening the construction of the rural grass-roots organizations.

Gao Dezhan pointed out in his speech: Strengthening and improving the construction of grass-roots party organizations is the basic construction of the party as well as an important component part of the great project for party building in the new age. To implement the guidelines of the national work conference on the construction of the rural grass-roots organizations and to well build the municipality's rural grass-roots organizations, we must first approach from the strategic high plane and the overall situation to fully understand the importance and urgency of strengthening the rural grass-roots organizations with party organizations as their nucleus and must unify our thinking with the central arrangements.

Gao Dezhan pointed out: The time from now to 1997 is a key period when the rural areas of the municipality should step toward the target of becoming fairly well-off as well as a crucial period for strengthening the construction of the rural grass-roots organizations in the municipality. To further well build the municipality's rural grass-roots organizations, we should emphatically attend to the work in the following five aspects: First, we should take comprehensively upgrading quality and improving the leadership as priorities and strengthen the building of the leading bodies of village party branches and the cadres contingents. Second, we should take upgrading quality and strengthening party spirit as a goal and strengthen and improve the education and management of party members. Third, we should set higher standards and strict demands so as to realistically well consolidate and build backward party branches. Fourth, we should well build other village-level organizations in a harmonious way to further systemize and standardize the village-level work and to ceaselessly upgrade the work level. Fifth, the party committees at various levels should realistically assume responsibility, strengthen the leadership over the construction of the rural grass-roots organizations.

Gao Dezhan stressed: We should build the rural grass-roots organizations closely according to the target for becoming fairly well-off so as to promote the rural economic development and the overall social progress. The party committees and governments at various levels as well as the leading cadres at various levels should clearly understand this target, vigorously disseminate

this target, make the people from higher levels downward in the rural areas of the municipality have this target at heart and fight and strive for becoming fairly well-off, and strive to form a rural situation characterized by enthusiastically and solidly working hard for three years to become fairly well-off.

The municipal party committee and the municipal government's draft suggestions on implementing the CPC Central Committee's notice on strengthening the construction of the rural grass-roots organizations were submitted to this conference for discussions and revisions. Some districts and counties exchanged their experiences in building the rural grass-roots organizations at the conference.

Tianjin Reports Increase in Technology Export

SK2811042294 *Tianjin People's Radio in Mandarin*
2300 GMT 27 Nov 94

[FBIS Translated Text] This year, pertinent departments have greatly simplified work procedures and improved efficiency, thus promoting the export of technology. On the basis of registering a yearly increase of \$10 million for 4 years running, the municipality has already realized \$80.15 million in the volume of technology exported this year, an increase of 54.37 percent over the 1993 total, or 0.7 percentage points higher than the average national level, a record high.

The technology exported this year embraces 67 items involving 11 major categories of high-tech industries, such as the chemical industry, building materials, electronics industry, the entire set of textile equipment, machinery equipment, and agricultural technology. These items have not only been exported to such developing countries as Pakistan and Thailand, but also to some developed countries in Europe as well as the United States.

Northeast Region

Heilongjiang Secretary Speaks on Quadrupling GNP

SK2511120194 *Harbin Heilongjiang People's Radio*
Network in Mandarin 1000 GMT 24 Nov 94

[FBIS Translated Text] On the morning of 24 November, after listening to the report made by conveners of various groups of the third plenary session of the seventh provincial party committee, Yue Qifeng, secretary of the provincial party committee, pointed out that efforts should be made to successfully implement the guidelines of the plenary session in line with the conditions of respective localities.

Yue Qifeng said: At the moment, the province still has grave difficulties fulfilling the objective of quadrupling the 1980 GNP. To fulfill this objective on schedule, the whole province should realistically work hard for several years. Now, the task of top priority is to bring the ideas

of leaders of all levels into line with the idea on the work of the provincial party committee and reveal problems and find out shortcomings with a view to marching forward in an even better way.

Yue Qifeng stressed: To fulfill the quadrupling task, the key lines in the successful work of 14 prefectures and cities. It is hoped that leading bodies at various levels in various localities will reorganize themselves to meet the demands of the quadrupling work. Various departments directly under the provincial authorities should give great support to this work and strengthen coordination in this aspect in order to effect a new change in the work of the whole province after the conclusion of this session.

Tianjin Fengshan, Ma Guoliang, Shan Rongfan, Yang Guanghong, Wang Xianmin, Li Qinglin, and Suo Changyou, leading comrades of the provincial party committee, also listened to the report on the discussions of various panel meetings.

Heilongjiang Party Enlarged Plenary Session Ends

SK2611051594 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 25 Nov 94

[FBIS Translated Text] The four-day third enlarged plenary session of the seventh Heilongjiang Provincial CPC Committee ended in Harbin on 25 November. Yue Qifeng, secretary of the provincial party committee, presided over the session. Leaders of the provincial party committee, including Tian Fengshan, Ma Guoliang, Shan Rongfan, Yang Guanghong, Wang Xianmin, Li Qinglin, and Suo Changyou, were seated on the rostrum.

The plenary session adopted the work report given by Yue Qifeng, secretary of the provincial party committee, entitled *Emancipate Thinking, Clarify the Train of Thought, Actively Open Up the Second Battle Field of Economic Development, and Realize the Strategic Objective of Quadrupling the GNP and Attaining a Level of Moderate Prosperity on Schedule*; it also adopted the decision of the Heilongjiang Provincial CPC Committee on opening up the second battle field of economic development and the ideas of the Heilongjiang Provincial CPC Committee on implementing the CPC Central Committee's decision on several major issues for strengthening party building.

During the session, Tian Fengshan, deputy secretary of the provincial party committee and acting governor, gave a speech on realizing the strategic objective of quadrupling the GNP and attaining a level of moderate prosperity on schedule.

The plenary session decided that our province's general thinking for economic construction in the days to come is to actively open up the second battlefield of economic development while never slackening efforts in the first battlefield of economic development, that is, in agriculture and state-owned enterprises; to actively cultivate new economic growing points; to initially establish the

socialist market economic system by the end of this century; and to realize the strategic objective of quadrupling the GNP and attaining a level of moderate prosperity.

The plenary session called for efforts to deeply implement the guidelines of the Fourth Plenary Session of the 14th CPC central Committee, realistically strengthen and improve party building and the party's leadership, and enhance the cohesion and fighting strength of the party organizations.

Yue Qifeng gave a speech at the end of the session. He said: After clarifying ideas and unifying thinking, the crucial issue involved is implementation. The 14 prefectures and cities across the province are the main force for implementing the spirit of this plenary session of the provincial party committee. The provincial party committee hopes these 14 prefectures and cities will grasp the implementation work well. Provincial-level departments should change functions, render good service, and create a good environment for grass-roots work. It is hoped that after this session, all fields of work across the province will have a new change, new improvements, and new development.

Heilongjiang Discipline Inspection Commission Session

SK2611062594 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 25 Nov 94

[FBIS Translated Text] The fourth plenary session of the Heilongjiang Provincial Discipline Inspection Commission was held in Harbin on 25 November. The session adopted the decision of the Heilongjiang Provincial Discipline Inspection Commission on making discipline inspection and supervision organs serve the work of opening up the second battlefield of economic development.

The decision calls on discipline inspection and supervision organs across the province to resolutely implement the guidelines of the third plenary session of the seventh provincial party committee, carry out their work in close connection with the central task of economic construction, and provide service and guarantees for the smooth implementation of the province's economic development strategic policy decision through comprehensively exercising all their functions.

The decision points out: Discipline inspection and supervision organs should further emancipate thinking; should change concepts; should firmly grasp the guiding ideology of serving economic construction; should readjust their train of thought in line with the strategic objective of opening up the second battlefield of economic construction and of attaining a level of moderate prosperity; and should clear up obstacles to safeguard economic development.

The decision calls on discipline inspection and supervision organs at all levels to guarantee the implementation

of the decision of the Heilongjiang Provincial CPC Committee on opening up the second battlefield of economic construction and regard it as an important task for some time in the future, and supervise and inspect the implementation work of party committees, governments, and relevant departments at all levels from the high plane of strictly observing the party's political and organizational discipline.

Li Qinglin, member of the Standing Committee of the provincial party committee and secretary of the provincial Discipline Inspection Commission, pointed out at the end of the session: Discipline inspection and supervision organs should do a good job in grasping the study and implementation of the guidelines of the plenary session of the provincial party committee, and in the course of implementing them, should accurately find their own positions, specify their work priorities, act in line with local conditions, give impetus to work, and render better service to the work of opening up the second battlefield of economic development.

Heilongjiang Commentary on Grass-Roots Party Building

SK2811035794 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 27 Nov 94

[Station commentary: "Solidly Strengthen and Improve the Building of the Grass-Roots Party Organizations"]

[FBIS Translated Text] Conscientiously implementing the CPC Central Committee's decision on several major issues concerning party building, and solidly strengthening and improving the building of grass-roots party organizations, is presently an important task facing party organizations at various levels across the province. Grass-roots party organizations are the foundation of the party's [words indistinct] and fighting power. Only when we achieve the building of grass-roots party organizations will our party be vitalized and will we have a reliable organizational guarantee for fulfilling the party's political task.

Over the past years, our province has firmly attended to the building of grass-roots party organizations; the majority of grass-roots party organizations and party members have brought into better play their roles as a fighting force and an exemplary vanguard role. Of more than 130,000 grass-roots party branches, over 10 percent are still in a state of weakness, laxness, and backwardness. These party branches lag behind in terms of party organizational construction. Only 9 percent of collective enterprises at township and village level across the province have established party organizations. If these problems are not conscientiously solved, the unity and fighting force of grass-roots party organizations, and the progress of the province's reform and construction, will be affected. To this end, we should accurately grasp the building of grass-roots party organizations. To strengthen and improve the building of grass-roots party organizations, we should persist in accurate guiding

principles. The four guiding principles on the building of grass-roots party organizations, as stipulated in the decision, are criteria we must observe in doing practical work. Viewing the practices of our province, we know we should pay particular attention to two principles. First, we should regard closely serving the basic line of the party and consciously being submitted to and serving the economic construction as a starting point, and should conclude the building of grass-roots party organizations and take the real results in fulfilling the tasks of the units as a standard for judging the achievements in party building. Second, we should be good at using the spirit of reform to study the new situation and to solve new problems. The key to strengthening and improving the building of grass-roots party organizations hinges on grasping the building of leading bodies. Practice proved those with powerful leading bodies have brought into good play the grass-roots party organizations' role as a fighting force.

It is necessary to grasp the building of grass-roots party organizations in rural areas and enterprises. Rural areas should bring into full play the village party branches' role as a leading core. We should study and formulate, in a step-by-step manner, provisional regulations and methods governing the work of party organizations of state-owned large and medium enterprises as well as enterprises other than those under state ownership. Party organizations of state-owned enterprises should persist in and perfect the systems in which principal party and administrative leaders consult with one another, joint conferences of party and administrative leaders are held, and party organizational responsible persons attend the routine work conferences of plant directors and managers. Enterprises carrying out shareholding and corporate systems dominated by public ownership should ensure that their party committee principal members enter, through legal procedures, the companies' boards of directors, supervisors, and management groups with the recommendation of the local party committees and responsible departments.

To strengthen and improve the building of grass-roots party organizations, we should pay attention to the building of party member contingents. Our province has more than 1.7 million Communist Party members. We should regard the improvement of party members' quality, the enhancement of their party spirit, and bringing into full play their exemplary vanguard role as the target for building the party member contingents. We should arm the leaders of party members with the theory on building socialism with Chinese characteristics, should standardize their statements and actions with the party constitution, should upgrade their consciousness of firmly persisting in the basic line of the party, and should upgrade the overall quality of party member contingents.

Party committees at various levels should have a grave responsibility for strengthening and improving the building of grass-roots party organizations. Party committees at various levels—particularly city, prefectural,

and county party committees—should bring the building of grass-roots party organizations into line with the key work agenda, and should build and perfect the system of responsibility for building grass-roots party organizations and make grass-roots party organizations across the province become a fighting force with the ability in unifying with and guiding the masses to promote reform, opening up, and modernization and to provide a strong and forceful organizational guarantee for realizing the quadrupling target and the target for striving to become fairly well-off and for reproducing the brilliance of Heilongjiang.

Heilongjiang Secretary Offers Ideas on Reform

HK2511100294 Hong Kong WEN WEI PO in Chinese
28 Oct 94 p A2

[Dispatch by staff reporter Yang Fan (2799 1581): Report on interview with Yue Qifeng, secretary of the Heilongjiang Provincial CPC Committee, by unidentified reporters in Harbin; date not given: "Heilongjiang Augments Absorption of Hong Kong, Taiwan, Japanese, Korean Capital To Develop Foreign-Funded Enterprises in a Big Way—Exclusive Interview With Yue Qifeng, Secretary of the Heilongjiang Provincial CPC Committee"]

[FBIS Translated Text] Harbin, 26 Oct—After concluding a survey of 14 prefectures and cities in Heilongjiang, Yue Qifeng, the secretary of the Heilongjiang Provincial CPC Committee who has been in office for only four months, recently put forward to our reporter a set of new thoughts on grasping chances to develop Heilongjiang Province. He said that Heilongjiang, with over 50 percent of its economy being state-owned, will open up the "second battlefield" to develop the nonstate-owned economy in a big way. Foreign-funded enterprises will become an important force in this battlefield. In the opening pattern of "establishing lateral ties with the south and opening to the north," they will increase the force of establishing lateral ties with the south and emphasize the attraction of funds and technology from such countries and regions as Hong Kong, Macao, Taiwan, Japan, and the ROK, he stressed.

The state-owned economy accounts for 80 percent of Heilongjiang's economy, and over 60 percent of state-owned enterprises operate at a loss. The experience gained by Heilongjiang in its previous development has proved that it is not feasible to develop the state-owned economy solely by depending on state-owned economy, Yue Qifeng told our reporter. Hence, he has put forward the strategic idea of fighting a "flanking war" and opening "the second battlefield," making great efforts to develop the nonstate-owned economy, such as town and township enterprises, the neighborhood economy, the self-employed or private economy, foreign-funded enterprises, people-run science and technology enterprises, tertiary industry, and hi-tech industry. On the one hand, the province gradually will achieve the strategic shift

from a base of raw material production to a base of processing finished products with the help of these newly booming economies. On the other hand, the growing and prosperous nonstate-owned economy may supply the locality with rich financial resources and thereby alleviate the burden of fiscal levies on state-owned enterprises, and then create opportunities for large and medium-sized state-owned enterprises to rest and build up strength.

Secretary Yue's idea of opening the second battlefield not only provides overall guidance for the state-owned economy, but also manifests itself in specific industries. In the coal industry, the growth of non-coal industries will be used to ensure the development of coal industry, while in forestry, the diversified economy will be used to protect and utilize forest resources, he suggested. He put forward four principles especially aimed at the Daqing Oilfield: 1) Stabilize and prolong crude oil output; 2) Develop substitute industry; 3) Make a transition from a planned economy to a market economy; 4) Do a good job in the administration of four nearby counties. This provincial party secretary briefed our reporter on the history of opening a second battlefield in north China, which hastened the annihilation of the Japanese invaders during the War of Resistance Against Japan, thereby showing his confidence and determination in opening a "second battlefield" in Heilongjiang Province.

In "the second battlefield" to develop the nonstate-owned economy, foreign-funded enterprises will become an important force, he indicated. He also stressed that in the opening pattern of "establishing lateral ties with the south and opening to the north, the force to "establish lateral ties with the south" should be increased, with the emphasis on absorbing capital and technology from such countries and regions as Hong Kong, Macao, Taiwan, Japan, and ROK; improving the technology content of products; and increasing the competitive strength of our products on the international market. The better we do our work in "establishing lateral ties with the south," the greater will be the benefits of opening up to countries of the Commonwealth of Independent States, such as Russia.

While talking about the superiority of attracting foreign investment, Yue said that, being the base of both China's heavy industry and its commodity grain, Heilongjiang is rich in mineral resources, forestry, and tourism. It has a low-priced labor force and low-level processing. As long as foreign businessmen invest, they will make profits.

He stressed in particular that Heilongjiang had made both great contributions to and sacrifices for the country since the founding of the People's Republic. People here have a very strong sense of the country. "The spirit of the great northern wilderness" with which 100,000 officers and soldiers, as well as several hundred thousand educated youth, opened up the Sanjiang Plain in the 1950s, and "the Daqing spirit" and "the Iron Man spirit" with which the oil workers—with Wang Jinxi as their representative—thoroughly changed China's history of being

poor in oil in the 1960s, has been widely spread and praised all over the country. Since the people of Heilongjiang could perform miracles in the world under such hard conditions, Yue Qifeng believes that Heilongjiang surely will rise up through hard work under the very favorable conditions of reform, opening up, and emancipation of the mind.

Wu Bangguo Inspects Enterprises in Liaoning

OW2811090194 Beijing XINHUA Domestic Service in Chinese 0705 GMT 18 Nov 94

[By reporter Fu Xingyu (0265 5281 1342)]

[FBIS Translated Text] Shenyang, 18 Nov (XINHUA)—A change of concept and being ready for market competition is the key to improving state-owned large and medium-sized enterprises. This is the view expressed by Wu Bangguo, member of the CPC Central Committee Political Bureau and of the CPC Central Committee Secretariat, after inspecting some large and medium-sized enterprises in Liaoning.

After concluding his inspections of Heilongjiang and Jilin, Comrade Wu Bangguo conducted investigations and studies in some state-owned large and medium-sized enterprises in Liaoning from 12 to 16 November, where he held discussions with factory directors and managers and heard reports presented by Liaoning provincial party and government leading comrades.

Wu Bangguo said: Liaoning Province has been the base for quite a few state-owned large and medium-sized enterprises because of its rich resources and relatively better infrastructure, with its relatively strong and solid economy contributing tremendously to the state. This superiority will be gradually demonstrated following completion of the transformation of a planned economy to a market economy. The crucial point here is enlivening state-owned large and medium-sized enterprises.

He pointed out: Liaoning has been doing a lot to improve state-owned large and medium-sized enterprises, resulting in the emergence of a host of state-owned large and medium-sized enterprises with market competitiveness, high efficiency, and good development potential. The province has also conducted in-depth studies and explorations into how state-owned large and medium-sized enterprises should be comprehensively evaluated. Overall, the task of improving state-owned large and medium-sized enterprises remains heavy, however; it is a problem that must be solved if Liaoning is to develop its economy faster and better. As state-owned large and medium-sized enterprises in Liaoning have been operating along the planned economy track for a relatively long period with a comparatively high percentage of mandatory projects, it is not easy to jump out completely. In addition, there is a process to follow. Wu Bangguo said: The central authorities have shown great concern over Liaoning's state-owned enterprises. For the past year or so, General Secretary Jiang Zemin, Premier

Li Peng, Vice Premier Zhu Rongji, and others have successively visited Liaoning to offer work guidance and to help solve problems, demonstrating the central authorities' attitude and determination to improve state-owned large and medium-sized enterprises. It may be an opportunity for Liaoning next year when the central government will shift its reform focus to state-owned large and medium-sized enterprises.

Wu Bangguo emphasized: The fundamental way for state-owned enterprises to extricate themselves from difficulties is to prepare themselves for market competition. They must be market-oriented in adjusting their industrial structure and product mix, highlighting their strong points and avoiding weak spots, while taking advantage of their superiority. Opening areas should make full use of their opening conditions to channel in funds and technologies and readjust structure. To enliven state-owned enterprises, it is necessary to first invigorate the state-owned economy, making essential productive factors flow toward enterprises suiting the direction of industrial structural adjustment and enterprises with high efficiency—a way to turn a host of enterprises into strong market competitors.

Wu Bangguo emphasized: The reform of state-owned enterprises should have a focal point, which happens to be the key enterprises suiting the direction of industrial structure. The emphasis on focal point also involves the issue of separating government from enterprise, under which the government, instead of taking on what ought to be done by enterprises themselves, merely offers support and guidance, thus creating a good exterior environment for enterprises to initiate reform and change mechanism. Enterprises should enhance both market and competition awareness and be adept in developing and building themselves up in market competition.

Entrepreneurs was another question about which Comrade Wu Bangguo showed particular concern. He pointed out: To change concept and be ready for market competition, our entrepreneurs should first possess a clear market concept, which will, in turn, motivate them to seek efficiency and seize opportunities. In the process of transforming enterprises' operating mechanisms and gradually establishing a modern enterprise system, it is necessary to nurture and train—in accordance with the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee—a host of dedicated entrepreneurs capable of meeting the demands of a market economy.

Northwest Region

Central Committee Appoints Gansu Deputy CPC Secretaries

HK2411091194 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 21 Nov 94

[FBIS Translated Text] The CPC Central Committee has appointed Comrade Zhao Zhihong to member, standing

committee member, and deputy secretary of the Gansu Provincial CPC Committee and appointed Comrade Li Hulin to be deputy secretary of the Gansu Provincial CPC Committee.

Gansu Secretary Inspects Impoverished Areas

HK2811043894 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 23 Nov 94

[FBIS Translated Excerpt] While inspecting agricultural and pastoral areas in the Ningxia Hui Nationality Autonomous Prefecture and the Gannan Zhuang Nationality Autonomous Prefecture, provincial CPC Secretary Yan Haiwang stressed that there is a need to strengthen party building in light of local conditions to bring about comprehensive economic and social development in ethnic areas.

Provincial CPC Secretary Yan Haiwang inspected poor mountainous areas, disaster-stricken areas, and remote pastoral areas in these two autonomous prefectures from 15 to 22 November. He directly solicited suggestions from grass-roots party organizations, cadres, and the masses on implementing the instructions of the Fourth Plenary Session of the 14th CPC Central Committee and the Second Enlarged Plenary Session of the Eighth Gansu Provincial CPC Committee and on party building. He held discussions with autonomous prefectural, county, and township leaders on further invigorating the ethnic economy and expediting all undertakings in ethnic areas.

Since the beginning of this year, all levels of party and government leaders in Ningxia Hui Autonomous Prefecture and Gannan Zhuang Nationality Autonomous Prefecture have conscientiously implemented the central authorities' policies and principles as well as the instructions of the provincial party committee's eighth party congress, and they have led the cadres and masses of all nationalities in deepening reform, expanding the scope of openness, and expediting development. These two autonomous prefectures have made new headway in agricultural production, animal husbandry, and other economic fields.

Yan Haiwang fully confirmed the new achievements and contributions grass-roots cadres and people of all nationalities have made despite difficulties. He enthusiastically praised their fine tradition in strengthening nationality solidarity, in working hard, and in maintaining their enterprising spirit. [passage omitted]

He said: All localities must comprehensively understand the decision of the Fourth Plenary Session of the 14th CPC Central Committee and the proposal of the provincial party committee on implementing this decision and must make overall arrangements for this implementation. In the period from this winter to next spring, all levels of party organizations must concentrate their efforts on improving grass-roots party organizations in agricultural and pastoral areas. Most localities must focus on forming good party branches and rectifying

party branch secretaries. Grass-roots cadres who have made prominent achievements in their work must be boldly selected and employed. All party branches and party members in agricultural and pastoral areas must understand that the main task of grass-roots party organizations is guiding peasants and herdsmen in developing their economies, in becoming better off, in strengthening rural socialist spiritual civilization, in changing poverty and backwardness in their localities as soon as possible, and in displaying their exemplary vanguard role. [passage omitted]

He pointed out: The focus of helping the poor is in the ethnic areas of southern Gansu. Now, all localities have decided their development methods. [passage omitted]

The state's support for poor areas is necessary, but the fundamental point is to rely on and mobilize the masses in making arduous efforts. This is the fundamental guarantee for developing the ethnic economy and getting rid of poverty.

During his inspection, Yan Haiwang was quite concerned about educational development in ethnic areas. Mobilizing all forces in society for educational development is the basis and hope of ethnic economic and social development. [passage omitted]

Yang Haiwang stressed: The entire party must pay attention to educational work and resolve urgent problems such as the issuance of teachers' wages and the construction of their housing. He repeatedly stressed to cadres at the prefectural, county, and township levels that they must put nationality solidarity and progress as well as social and political stability in an important position in their work. Maintaining solidarity, harmony, and progress among all nationalities is the manifestation of the socialist system's superiority and is an important component of the theory of building socialism with Chinese characteristics. [passage omitted]

Ningxia Private Economy Growth Boosts Regional Economy

OW2711025794 Beijing XINHUA in English 0237 GMT 27 Nov 94

[FBIS Transcribed Text] Yinchuan, November 27 (XINHUA)—Private and individual businesses in the Ningxia Hui Autonomous Region are playing a bigger role in boosting the overall regional economy.

So far, the province has more than 98,000 private enterprises, the output value of which, between January and October this year, increased 45.6 percent over the same period of last year.

Traditional agriculture used to play the leading role in the region, which is inhabited mainly by Muslims. The weak industry made the local economy lag far behind other places in the country.

At the start of the 1990s governments at all levels in the region started making more efforts to foster the development of private and individual businesses alongside the public economy in a bid to revitalize the local economy.

In 1993 total tax revenue from such enterprises exceeded 100 million yuan for the first time, accounting for ten percent of the total regional revenue.

Private businesses are also playing an important role in the service trades. About 90 percent of the dealers in the region's 275 free markets are private business people.

EC-Supported Soil Project Under Way in Ningxia

OW2611091294 Beijing XINHUA in English 0717
GMT 26 Nov 94

[FBIS Transcribed Text] Yinchuan, November 26 (XINHUA)—A soil amelioration project aided by the European Community (EC) in northeast China's Ningxia Hui Autonomous Region is well under way, according to a local agriculture official.

The project aims at applying machines and technologies from Europe to improve low-production arable land.

The five-year project started in early 1993, with a grant of 3.8 million European currency units from the EC and 31.24 million yuan from the Chinese Government.

So far, 2,921 ha [hectare] has been improved, raising grain output from 3.66 tons per ha to 7.5 tons per ha. And another 1,189 ha has been newly cultivated.

The preparation work for the project has finished, and most of the local water-conservancy works have been rehabilitated or newly built.

This year, experiments have begun concerning agricultural machinery and techniques, water conservancy, soil improvement and fertilizers.

Qinghai Governor Views Civil Affairs Administration

HK2411110894 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 19 Nov 94

[FBIS Translated Excerpt] After listening to reports from Xining City and Guoluo Prefecture on grass-roots civil affairs administration yesterday afternoon Tian Chenping, provincial party deputy secretary and governor, said: The work concerning civil affairs is an important component of the party's work and involves the interests of tens of thousands of families as well as the people's production and lives. Summing up all this, we know that the work concerning civil affairs must manifest itself in serving the people and in doing something practical for the masses. Following the deepening of reform, the work concerning civil affairs has played a more important role among the masses. In this new situation, therefore, the work concerning civil affairs must be strengthened,

instead of being weakened. The work concerning civil affairs is not only the work of civil affairs departments but is also the common work of governments at all levels. Units and leaders at all levels must have a correct understanding of this work and must mobilize all forces in society to support this work. [passage omitted]

Tien Chenping continued: Qinghai is a province which experiences frequent natural disasters, therefore providing disaster relief is very important. However, providing disaster relief is only a method, the more important thing is to encourage the masses to help each other. [passage omitted]

Qinghai Statistics Bureau Sees Rapid Economic Growth

HK2411110694 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 19 Nov 94

[FBIS Translated Excerpt] According to the provincial statistics bureau, from January to September this year, the province registered a rapid economic development growth rate and its reform of the foreign trade, financial, and investment structures has proceeded smoothly. In the first nine months of this year, the position of agriculture as the foundation of the national economy strengthened, the total grain output exceeded the prescribed target, a good harvest was reaped in animal husbandry, industrial production grew fast, consumer goods markets remained stable, foreign trade developed by a wide margin, local revenues increased, and urban and rural people's incomes rose.

From January to September, the province's GDP amounted to 8.8 billion yuan, up 8 percent over the same period last year. The gross agricultural output value amounted to [words indistin.], an increase of 3.2 percent over the same period last year. By the end of September, there were more than 9 million pigs throughout the province, an increase of 22.4 percent over the same period last year. Industrial production grew fast. The gross output value of industrial enterprises at the township level and above amounted to 5.6 billion yuan, up by 11.4 percent over the same period last year. The gross output value of state-owned industrial enterprises amounted to 4.8 billion yuan, an increase of 10 percent. The gross output value of collectively owned industrial enterprises amounted to 800 million yuan, up by 10 percent. [passage omitted]

Since the beginning of this year, the province's exports have amounted to more than \$900 million and its imports more than \$10 million [figures as heard]. According to an analysis, commodity prices still remain steep and the economic results of industrial enterprises have not changed for the better.

Independence Issue Causes Controversy

HK2411090694 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1052 GMT 9 Nov 94

["Special feature" by reporter Li Xiaozhun (2621 1321 6150)]

[FBIS Translated Text] Hong Kong, 9 Nov (ZHONGGUO TONGXUN SHE)—The first election campaigns for Taiwan's governor and mayors in over 40 years has started. To canvass votes, the candidates of both the ruling and opposition parties exert their utmost to launch a fierce "propaganda war." Recently, the Democratic Progressive Party's [DPP] stand on "Taiwan independence" and "withdrawing troops from Jinmen [Quemoy] and Mazu [Matsu]," as well as the debates on internal factors contributing to another "migration trend" in Taiwan, have heated up the election situation. The emergence of the "Taiwan independence" issue has suddenly added a strong smell of gunpowder to the contention among various parties.

As the election of Taiwan governor and the mayors of Taipei and Kaohsiung is a major battle vital to the future redistribution of power resources and the consolidation of power base for the Kuomintang [KMT], the DPP, and the New Party, this has drawn the special attention of various parties and people without party affiliation and regional mentality. Their political views and stands have become the most important advanced battle among different factions before the official election on 3 December.

To give scope to its "spectacular" appeal, Shih Ming-te, chairman of the DPP which has gradually developed its influence on Taiwan's political arena in recent years, again put forward some time ago the argument of "setting up the Republic of Taiwan through referendum." He also put forward for the first time, the argument of "withdrawing troops from Jinmen and Mazu." This has aroused stormy shocks among, and crossfire from, other parties and factions on the island.

The Taiwan independence argument is not new to the DPP and it finds little support on the island. During Taiwan's "National Assembly" elections at the end of 1991, the DPP made a show of strength with a "Taiwan independence" party program. However, things went contrary to its wishes and the DPP was soundly defeated. At the forthcoming governor and mayor elections, DPP chairman Shih Ming-te again sang the same old tune of "Taiwan independence" on the "state identification issue" at the party's central standing committee meeting. Naturally, he was again condemned both in speech and in writing by society at large and by hostile political parties on the island. The most representative of these was the reaction from Wang Yong-tsai, a prominent figure in Taiwan's industrial and business circles. The general manager of the Taiwan Plastics Group, who has worked arduously in Taiwan's industrial and business circles for decades, pointed out sharply: If Taiwan

should declare independence, the society will be thrown in chaos and enterprise investment will also stop. Wang even said: "If Taiwan should declare independence, I will also be emigrating to another country." We can thus see that in the intense election campaign on the island the popular will has obviously inclined toward opposition to Taiwan independence.

It is perhaps out of Shih Ming-te's expectations that his argument of "withdrawing troops from Jinmen and Mazu" has not brought "luck" to the DPP's election campaign. On the contrary, it has brought upon itself the "misfortune" of attracting a heavy bombardment from society. The reason is that, although Shih claimed that his idea of "abandoning the army-based doctrine and beefing up the combat effectiveness of the navy and the air force" and his call for the withdrawal of troops from Jinmen and Mazu is a clever move to ensure "Taiwan security," yet in the eyes of the KMT and the New party, the so-called idea of "withdrawing troops from Jinmen and Mazu" is nothing but a disguised form of "Taiwan independence." The New Party's Chao Shao-kang lashed out at the DPP, pointing out that advocating troop withdrawal from Jinmen and Mazu is just the DPP's first step toward Taiwan independence. On Jinmen and Mazu, Shih's "unique idea" has aroused strong popular indignation. The result is that, when DPP candidate Chen Shui-pien went to Jinmen, he met strong protests from indignant people shouting: "Oppose Taiwan Independence" and "DPP, Get Out."

Having tasted the "bitter fruit," the DPP has recently come to realize that its arguments on Taiwan independence and troop withdrawal pose a potential danger to the party in the forthcoming elections.

Meanwhile, the topic of the "migration trend" has also become a hot contentious issue in the island election campaigns. It concerns not only the issue of whether or not the Taiwan official annual figure of 20,000 to 25,000 emigrants is true but also the real reason behind the migration. The DPP censured the KMT, saying that it is a result of corruption and degeneration on the part of the KMT regime. The KMT, however, censured the DPP, saying that the DPP's Taiwan independence statements have strained cross-strait relations, brought social instability, and caused people to be in such a state of anxiety that they leave for other countries. Whether it is the former or the latter, the "Taiwan independence" is a major cause for the start of another migration trend. The aforesaid remarks by Taiwan Plastics Group's Wang Yong-tsai can serve as proof.

Reportage on ARATS-SEF Talks**Prospects for Agreement**

HK2511102394 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0904 GMT 24 Nov 94

["Special article" by reporter Li Xiaozhun (2621 1321 6150): "Hopes and Difficulties for Reaching Agreement

by the Association for Relations Across the Taiwan Straits (ARATS) and the Straits Exchange Foundation (SEF)"]

[FBIS Translated Text] Nanjing, 24 Nov (ZHONGGUO TONGXUN SHE)—Tomorrow will be the second round of talks on the discussions of the three documents of agreement on issues such as the repatriation of hijackers, which is critical to whether the current Nanjing talks can reach a conclusion on the above-mentioned three documents of agreement, which have been under discussion for a year, and move on to initialing them. If tomorrow's discussions proceed in a good atmosphere and at an accelerated pace, the prospect of reaching a settlement, full or partial, on the three documents of agreement is still promising.

Judging from the progress of the first round of the current talks and the existing differences between the two sides, overall, the talks can be considered as having proceeded smoothly without side issues cropping up. This has created a relatively good and harmonious atmosphere for the talks, which will help both sides to reach an agreement in strict accordance with the August "Tang-Ku consensus." It is also an embodiment of the sincerity and efforts of the ARATS and SEF to try their best for an early conclusion on the three agreements. This is a very important factor for the success of the talks. It is believed that, at the second round of talks, which is to take place tomorrow, both sides will further consult one another in accordance with this consensus.

Moreover, compared with the five previous talks on concrete matters, at the first round of consultation of the current talks, new advances were made in the consensus on the writing of documents on the three issues—the repatriation of hijackers, repatriation of "stowaways," and fishing disputes—and differences on these issues were narrowed. One could well say that the process of concluding an agreement has reached the stage of "knocking on the door [lin men yi jiao 5259 7024 0001 5183]." In particular, both sides' views on the wording of the documents of agreement on the repatriation of hijackers and of "stowaways" are fairly identical. For example, the repatriation of hijackers and other criminals will be conducted according to the ARATS' "reference notes [can zhao 0639 3564]" or the SEF's "permission of use" clauses. As for the handover site for the repatriation of "stowaways" currently under discussion, the ARATS favored the "port," while the SEF favored the "barge-mooring port [bo kao 7463 7237]." There are no differences of principle between the two sides on this issue. Moreover, both the ARATS and SEF expressed the willingness to study one another's divergent views. SEF principal representative Hsu Hui-you even remarked: I do not think that these differences and the divergent views held by both sides on some new problems will become so great a barrier as to hinder the conclusion of an agreement.

These advances and the approaches that both sides have adopted in handling divergent views show that both

sides have retained a relatively great flexibility in upholding their own views while respecting those of the other side. This is undoubtedly a new foundation for both sides to further exchange and pool their views on the final conclusion on the wording of the documents.

In discussing the three documents of agreement, including the repatriation of hijackers, both sides are striving for comprehensive substance so that they can be easily implemented in the future. Therefore, they will weigh every word on every detail of the documents. This is a project that requires considerable intelligence and consumes a great deal of time. Whether both sides can reach agreement on the three issues, including the repatriation of hijackers, or some of the issues, in the last two or three days depends on whether they can keep their promises and further seek a consensus. Furthermore, time may end up being one of the important variables affecting the resolution of the issues.

Headway Made on Repatriation Issue

HK2611082594 Beijing CHINA DAILY in English 26 Nov 94 p 1

[By Sun Shangwu: "Headway Made in Talks on Hijackers"]

[FBIS Transcribed Text] Nanjiang—Progress has been made in Arats-Sef talks yesterday on the repatriation of aircraft hijackers.

On the hijackers issue, the mainland-based Association for Relations across the Taiwan Straits (Arats) and Taiwan-based Straits Exchange Foundation (Sef) agreed to the wording of the name of the agreement, means of contact, applicable areas of the agreement, and method of repatriation.

However, they remained split on certain parts of the agreement, Arats Deputy Secretary-General Sun Yafu said.

One area of contention is the wording for the period mainland hijackers are jailed or detained in Taiwan.

Under the consensus reached by Arats Vice-Chairman Tang Shubei and his Sef counterpart Chiao Jenho in Taipei in August, the period hijackers are detained in Taiwan can be offset against their prison terms after they are sent back home. But the two sides have not found a suitable word to describe the period, as it concerns each other's "legal jurisdiction".

During the talks, Arats said the repatriation agreement should be applicable to hijackers who committed crimes before the agreement goes into effect.

'Positive Results' Viewed

OW2711150194 Beijing XINHUA in English 1437 GMT 27 Nov 94

[FBIS Transcribed Text] Nanjing, November 27 (XINHUA)—A meeting held between the mainland's Association for Relations Across the Taiwan Straits (ARATS)

and Taiwan's Straits Exchange Foundation (SEF) closed here today in Nanjing, capital of Jiangsu Province.

During the six-day meeting, both sides discussed three major issues concerning exchanges of duplicates of documents related to taxation, medical records and professions; measures for starting express mail service across the Taiwan straits; and the repatriation of offenders entering the other's areas in violation of relevant regulations and related matters.

According to a press release obtained here today that both sides have gained positive results on these aspects.

The talks in Nanjing were carried out on the basis of a written statement reached by the two sides at a high-level meeting in Taipei in August this year.

But different opinions were held over some problems in the actual implementation.

Shi Hwei-you, deputy secretary general of the SEF, also said that they had finished the deliberation of 80 percent of the written documents concerning questions of the three aspects and would leave issues where both sides differ in opinions to following rounds of talks.

At today's meeting, Sun Yafu, deputy secretary general of ARATS, suggested that a new round of talks be held soon between ARATS and SEF officials so as to quicken the pace of resolution.

Further Reports on Direct Flight Denial for Chang

Press Criticisms of Decision Cited

HK2411153394 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1227 GMT 24 Nov 94

["Roundup" by reporter He Shan (4421 1472): "Hong Kong and Taiwan Press Regret That Winston Chang Has To Go to Taiwan Via Hong Kong"]

[FBIS Translated Text] Hong Kong, 24 Nov (ZHONGGUO TONGXUN SHE)—After a detour flight from Beijing to Hong Kong and then to Taiwan, the special medical plane carrying Winston Chang, president of Taiwan Soochow University, arrived in Taiwan this afternoon. The press in Hong Kong and Taiwan expressed regret and disappointment over the Taiwan authorities' insistence on the condition that the special plane must land in a third place and their decision which laid stress on political rather than humanitarian considerations.

According to the "Night Talk" column of Hong Kong's SING TAO WAN PAO published today, painstaking efforts were made over the last few days to arrange the route and form of Winston Chang's return to Taiwan. As the suggestion of a direct flight had been rejected, another expedient should have been to symbolically fly through the territorial air space of a third place before going to Taiwan, which would have taken longer, but it

could have averted another round of shocks caused by the plane's taking off and landing and would have been good for the patient. However, even this option was not approved, and this is a sorrow for people on both sides of the strait. The "News Note" column of TUNG FANG JIH PAO pointed out that the special plane was chartered by an international aid organization and the intention was to arrange a humanitarian flight and to strive for a direct flight to Taipei so that Winston Chang might not be hurt during the trip. However, it is a pity that at last, such painstaking efforts could still not overcome the Taiwan authorities' insistence on the "three no's," and humanitarianism is worthless under the rigid policy. The "editorial" of MING PAO even said although Chang's relatives consented to the authorities' arrangements, we believe that they would have been somewhat bitterly disappointed at policymakers' taking politics into account more than human life.

According to the press in Hong Kong and Taiwan, at first, after Winston Chang felt ill in Beijing, John Chang was granted special permission, beyond legal considerations, to go to the mainland to visit his younger brother, and this, rather than resulting in any political implication, was much praised. However, the reverse thinking of "policy comes first" came to the fore regarding the humanitarian flight, which is the most critical issue, and none of the units was willing to undertake the decision-making responsibility, which was shirked and left to Chang's family. It is really bad to let Winston Chang, who is unconscious, risk his life to uphold the Taipei authorities' principle.

According to the MING PAO editorial, since it is currently the climax of Taiwan's provincial and city election campaigns, perhaps the Kuomintang wants to firmly uphold its "three no's" stand in order not to give its opponents a handle. However, intelligent voters will definitely raise this question: Will a political party which only cares about election results rather than human life set store by public interests even if it wins the election?

As a matter of fact, the main current of public feeling in Taiwan is to allow Winston Chang's special plane to fly to Taiwan directly, while thinking that such a humanitarian aid plan is not necessarily in conflict with the policy of "no direct flights". It suggests that from a humanitarian point of view, Winston Chang's special plane should fly back to Taiwan directly.

A number of newspapers mentioned that in 1987, Chiang Ching-kuo, out of humanitarian considerations, lifted the ban on Taiwanese people's visiting their relatives in the mainland; and that breaking through political taboos out of humanitarian considerations is precisely the main pattern for improving cross-strait ties in recent years. However, as TUNG FANG JIH PAO's "News Note" column said, it is hard to imagine that today Chiang Ching-kuo's son is treated like this when he is most in need of humanitarian discretion, so what can we say.

Chang's Condition Viewed

HK2711082194 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1044 GMT 25 Nov 94

[FBIS Translated Text] Hong Kong, 25 Nov (ZHONGGUO TONGXUN SHE)—According to news from Taipei, Tung Wu University President Chang Hsiao-chi's illness was basically stable but he was still in critical condition after the first night of treatment at Taipei's Jungmin General Hospital subsequent to his return from Beijing for continuation of medical treatment. During Chang's medical treatment, the medical team and his family members have all understood that "everything humanly possible will be done but his fate hangs on God's will."

According to a CHUNG YANG TUNG HSUN SHE [CENTRAL NEWS AGENCY] report, Wu Chin-an, deputy director of the Jungmin General Hospital's Neural Medical Center, pointed out that Chang Hsiao-chi's current condition remained as it was in Beijing; he was in very critical condition; there had not been much change; and he still needed special treatment.

On when Chang would be out of danger, a question people in all circles are most concerned about, Wu Chin-an stressed that it would take three crucial weeks before a decision could be made, adding that no judgment could be made at present. On whether great efforts will be made for Chang's medical treatment, Wu Chin-an said that through days of contacts with his family members, everyone had understood that "everything humanly possible will be done but his fate hangs on God's will."

Chiang Chih-heng, director of the Special Treatment Center, pointed out that Chang Hsiao-chi's temperature had improved and gradually lowered; his blood pressure was stable.

On 25 November, the medical team conducted infection control for Chang Hsiao-chi and provided treatment for his heart, blood pressure, and respiration.

Refusal Again Criticized

HK2811080294 Hong Kong WEN WEI PO in Chinese 26 Nov 94 p A2

[Editorial: "Taiwan Has No Humanitarianism To Speak of Since it Impedes Direct Cross-Strait Flight"]

[FBIS Translated Text] Winston Chang Hsiao-tzu, the president of Taiwan's Soochow University who fell unconscious in Beijing, finally was unable to return to Taipei via direct flight for medical treatment. In terms of humanitarianism and rescuing the gravely ill, if the patient's condition is worsened by unnecessary plane takeoffs and landings, this simply shows how unfeeling the Taiwan authorities are. Taiwan's impediment of cross-strait peace talks with "no direct flight" as a defense line obviously runs counter to the trend of history.

"Human life is of utmost importance," goes a saying. The Taiwan authorities have no regard for the life of even a very important person at the core of their leadership, and therefore they are all the more apathetic toward the safety of ordinary people. Chiang Ching-kuo was Li Teng-hui's benefactor, who promoted the latter to succeed him. Out of humanitarian considerations, before his death, Chiang Ching-kuo lifted the ban on Taiwan people's going to the mainland to visit relatives and friends. This has played a great role in ending the state of seclusion of the people across the strait. When appraising this stage of history, historians surely will make positive comments. At present, contacts between the people across the strait have been considerably frequent, with the people involved counted in their tens of thousands. If a person is critically ill or wishes to have a last look at his family members on his deathbed, this requires a direct flight for such arrangements. However, what Li Teng-hui—who is cold-hearted and has a little sense of personal loyalty [bo yi 5631 5030]—thinks about is how to resist direct flights and the efforts of the two sides of strait to achieve the goal of peaceful reunification, rather than the safety of ordinary people. Winston Chang, still in a dangerous state, is unable to withstand repeated takeoffs and landings. Out of humanitarian considerations, the "Executive Yuan" could have entirely scrapped the "no direct flight" ban so that Winston Zhang's health and life could be cared for rationally. However, the "Executive Yuan" ruled out the possibility of a flexible direct flight on "political" grounds, thus completely ignoring the principles of human relationships and human sympathy [ren dao 0086 6670].

In the current political "no direct flight" event, the plane of a third country was chosen. The plane took off from Singapore, flew to Beijing, landed in Hong Kong, and then flew to Taipei. The \$200,000 chartered flight was so expensive that even the president of Soochow University could not avoid paying, and it had to be paid for with money raised by the university's teachers and students, and by good friends in official circles. With this precedent, the ordinary people all the more dare not extravagantly hope to return to Taiwan for treatment when they are gravely ill or seriously injured. Taiwan's ban on direct flights, which is not only unreasonable but also a waste of money and manpower, has caused unnecessary economic losses. Moreover, the innocent compatriots in Taiwan have to bear the serious economic consequences of the authorities' unreasonable decision. At ordinary times, the people across the strait have to travel by way of Hong Kong, and goods from both sides of the strait have to be shipped by a long, roundabout route. This way of doing things has resulted in a drastic increase in costs and a waste of 10 billions of Hong Kong dollars. Who created this situation?

"Banning direct flights" prominently shows that the Taiwan authorities are iron-hearted and go against the historical trend. If the principal person in power were to allow the direct flight of a chartered plane, he surely

would enjoy popular support, and this would be conducive to creating a good atmosphere for a transition to direct cross-strait flights, a move that would enjoy the support of officials and ordinary people in Taiwan, and win a reputation for benevolence and tender-heartedness. Direct cross-strait flights are the trend of the times, and will be achieved sooner or later.

According to Taiwan's public opinion poll, most compatriots in Taiwan were in favor of direct flight, and half of them favored prompt and unconditional direct flights because this would make things convenient for them when visiting relatives and travelling in the mainland, and also would be conducive to doing business on the mainland. The handling of Winston Chang's return to Taiwan shows that the Taiwan authorities' current logic in handling things cannot be calculated according to the principles of human relationships. Perhaps the Taiwan authorities still think that "direct flights" can continue to be used as a "political card," and that the safety of lives and the normal and accepted human relationships and feelings of compatriots in Taiwan can be used as a counter in asking the mainland to recognize Taiwan as an independent political entity. However, direct flights are conducive to improving cross-strait relations. If Taiwan pursues "two entities" and "two Chinas" in a big way, this surely will run counter to the popular will, and then Taiwan will be held responsible for impeding direct flights and blocking the easing and improvement of cross-strait relations. It will find itself in a more passive position in the days to come.

Direct Cross-Strait Navigation, Aviation Urged

HK2811064094 Hong Kong TA KUNG PAO in Chinese
22 Nov 94 p 2

[Editorial: "Direct Navigation, Aviation Across Taiwan Strait Irresistible"]

[FBIS Translated Text] In Taiwan, the voices demanding the realization of direct cross-strait navigation and aviation have continued to rise, and various ports in Taiwan are vying to achieve the goal of taking the lead in realizing direct navigation and aviation with mainland China. The Taiwan authorities should comply with the popular will, and take an active attitude toward negotiations with the Mainland as quickly as possible so as to find a solution to the issue of direct navigation and aviation. To put it in the same old words: As long as the two sides sit down and talk things over, an approach acceptable to both can always be found.

The issue of direct cross-strait navigation and aviation is purely one of economics and the people's livelihood which has a bearing on people's immediate interests. The cause behind the Taiwan masses' appeal for direct navigation and aviation is that their close relatives, the brilliant civilization their ancestors created, and the extensive market they call for are all on the mainland. There also is an increasingly greater number of Taiwan compatriots going to the mainland to visit relatives, tour,

do business, and run enterprises, with increasingly frequent trips. Thus direct navigation and aviation will save plenty of time and money. A direct course from Xiamen and Kaohsiung is only 165 nautical miles, but a detour via Hong Kong is 634 nautical miles, and the voyage extends by threefold. A direct course from Fuzhou to Keelung is only 149 nautical miles, but a detour via Hong Kong spells an additional 794 nautical miles, with the voyage extending over five-fold. Nowadays, some 1.5 million people make cross-strait trips each year; if all those trips have to be made via Hong Kong, several hundred million dollars will be wasted on the way. Clearly, that is from an economic angle, and a purely economic issue, too. However, the Taiwan authorities deal with it rigidly, as a political issue, while advocating the view that the "political nature stands above the economic nature"; as a result, no solution has yet been found to the issue, but the responsibility for impeding direct navigation and aviation is shirked onto the mainland. This is unreasonable.

On the issue of direct cross-strait navigation and aviation, mainland China all along has adopted an active attitude, and has made ample preparations. Back in 1979, the NPC Standing Committee set out the proposal of establishing transport, trade, and postal relations. The Ministry of Communications, the Ministry of Posts and Telecommunications, and the Civil Aviation General Administration of China promptly made several separate decisions based on the NPC Standing Committee's proposal, and made all preparations for the realization of the "three communications." At the same time, it was set out that they were always ready to talk over affairs on establishing transport, trade, and postal relations with related departments under the Taiwan authorities. Over the past dozen years or so, mainland China has adopted a series of policies, as well as legal measures, and has done a voluminous amount of concrete work to encourage cross-strait ties and cooperation in various arenas.

Owing to the efforts of mainland China and the promotion of Taiwan compatriots, the Taiwan authorities have carried out a limited readjustment of their mainland policy over the past few years (despite the fact that such readjustment has not changed its serious impairment of the development of cross-strait relations and of national reunification), and have adopted certain relaxed measures for people in Taiwan to visit relatives and friends in mainland China; cross-strait non-governmental exchanges and ties; expanding indirect trade; lifting the ban on indirect investment; and simplifying the procedures for cross-strait telephone, posts, and remittances. The Wang-Gu talks in 1993, and the talks in Taipei this year between the Association for Relations Across the Taiwan Strait and the Strait Exchange Foundation have created favorable conditions and a sound atmosphere for developing cross-strait relations. Now cross-strait relations are developing constantly, with economic, trade, and cultural exchanges and ties between personnel of the

two sides expanding to a considerably large scope. Cross-strait trade was up to some \$10 billion each year. There are some 20,000 enterprises on the mainland with investment from Taiwan businessmen. In Fujian alone, the gross industrial output value with Taiwan capital reached \$10 billion, with over 90 percent of enterprises in this category making profits. With the continuous growth in people's ties with each passing day, Taiwan compatriots have made 6 million trips to the mainland, whereas mainlanders so far have made some 60,000 trips to Taiwan.

We believe that the realization of direct cross-strait navigation and aviation is the general trend of events, and an extremely urgent one at that.

Regretfully, in their lengthy statement entitled "The Question and Prospect of Cross-strait Direct Navigation and Aviation," the Taiwan authorities set out "three prerequisites," "three indexes," and "three essentials" for direct cross-strait navigation and aviation. Primary among the "prerequisites," "indexes," and "essentials" is that the mainland must acknowledge that Taiwan is a "political entity on an equal footing," while they attack the mainland for "covering up the complexity of cross-strait navigation and aviation," and for "distorting the essence of direct cross-strait navigation and aviation." Not long ago, the related department of the Taiwan authorities even made a decision to put off cross-strait direct navigation and aviation at certain ports, saying that "cross-strait relations should continue to be dealt with in accordance with the first phase in the program of national reunification," which in actual fact means to push direct navigation and aviation to the distant future.

The issue of direct cross-strait navigation and aviation is not complicated, and some technical problems can be easily handled, too; however, the Taiwan authorities are bent on complicating the issue. The essence of direct cross-strait navigation and aviation is one of planning for mass interest; nevertheless, the Taiwan authorities are bent on making it a political issue. Their objective is obvious: to exchange direct cross-strait navigation and aviation for their political "goal" of creating two Chinas.

The realization of the motherland's reunification is a solemn and sacred mission of all Chinese people. The attempt to create two Chinas by whosoever in whatever form is doomed to failure. Whosoever creates obstacles to the resolution to issues of common concern by compatriots in Taiwan and the mainland in whatever way is

bound to lose popularity. The Taiwan authorities should go along with the tide, choose, and follow what is wise.

Society on Taiwan Studies Holds Meeting

OW2511144494 Beijing XINHUA Domestic Service in Chinese 0852 GMT 25 Nov 94

[By reporter Liu Shizhong (0491 0670 1813)]

[FBIS Translated Text] Beijing, 25 Nov (XINHUA)—The Third Council of the National Taiwan Studies Society [NTSS] opened in Beijing today. More than 80 newly elected council members who hailed from various localities in our country attended the meeting.

NTSS Vice President Zhang Wanxin delivered an opening speech. He said: Over the past three years, amid the unceasing development and changes in relations across the Taiwan Strait and situations on the island of Taiwan, the NTSS has abided by the basic principle of "peaceful reunification and one country, two systems" to score great successes in actively making arrangements for sources from all social strata to intensively study the Taiwan issue and suggest ways and means for the peaceful reunification of the motherland. It has unified scores of overseas and local experts and scholars through a variety of academic exchanges which it has launched.

NTSS Vice President Ji Chongwei delivered a work report on the affairs of NTSS on behalf of the Second NTSS Council. He said: The NTSS has amassed numerous accomplished experts and scholars in Taiwan studies, enlisting their help in conducting an in-depth study of such issues as Taiwan politics, economy, society, and culture, as well as cross-strait relations. Over the past three years, the NTSS has completed key research papers and theses of fairly high standards, and successively published such academic works as "Taiwan 1991," "Taiwan 1992," "Taiwan 1993," "Contemporary Study of Taiwan" series, and "A Collection of Discourse on the History of Taiwan," to promptly reflect the latest developments in the academic study of the Taiwan issue.

Ji Chongwei said: The NTSS has also successfully organized 16 academic seminars and forums of various types. At present, its membership has been expanded to include 37 organizations and over 700 individuals.

For its executive council members, the Third NTSS Council elected Cheng Siyuan as president, and as vice president's, Jing Shuping, Ji Chongwei, Zhang Wanxin, and Jiang Dianming.

Reportage on SEF, ARATS Meeting**Negotiators Progress Reported***OW2511142994 Taipei CNA in English 1411 GMT
25 Nov 94*

[By Huang Hui-min and Benjamin Yeh]

[FBIS Transcribed Text] Nanjing, Nov. 25 (CNA)—Negotiators from Taiwan and Mainland China gained ground Friday [25 November] during the fourth day of discussions to tackle cross-Taiwan strait technical affairs.

"The discussion on the repatriation of illegal immigrants is almost finished except for minor difference in wording," said Hsu Huei-you, Taipei's chief negotiator at the six-day meeting.

Hsu is the deputy secretary-general of the Straits Exchange Foundation (SEF), a semi-official intermediary agent authorized by Taiwan to handle private exchanges between the two sides in the absence of official contacts.

Sun Yafu, the mainland's chief negotiator, told the press that the topic of the repatriation of illegal mainland immigrants from Taiwan may be further discussed on Sunday. Sun is the deputy secretary-general of the Association for Relations Across the Taiwan Strait.

The issue is one of the topics Taiwan desperately wants resolved. According to SEF tallies, more than 900 illegal mainland immigrants remain in Taiwan detention centers after 413 were returned in two separate moves over the past month.

Little progress, however, has been reported on the issue of repatriation of mainland hijackers. "There is a long way to go before an agreement can be reached," Hsu said.

The mainland negotiators demanded that any agreement on the repatriation of hijackers be retroactively applied. Hsu said he did not rule out the possibility of discussing the issue, but stressed to the mainland side that humanitarian spirit and Taiwan's legal procedures need to be taken into full consideration as well.

Agreement 'Not Far Away'*OW2611135294 Taipei CNA in English 1303 GMT
26 Nov 94*

[By Huang Hui-min and Bear Lee]

[FBIS Transcribed Text] Nanjing, Nov. 25 (CNA)—Taipei's chief negotiator at the sixth round of cross-strait technical talks said Saturday [26 November] that pacts "are not far away, although differences remain."

Hsu Huei-you, deputy secretary-general of the Straits Exchange Foundation said "satisfactory results are still possible" if remaining barriers can be removed during

final-day negotiations on Sunday. Otherwise, he said, "I'm sure that all the problems will be solved at the next round of talks at the latest."

Hsu and his SEF team began the latest round of talks here Tuesday with a mainland delegation headed by Sun Yafu, deputy secretary-general of the Association for Relations Across the Taiwan Strait (ARATS).

Negotiations on fishery disputes, the repatriation of hijackers and illegal mainland Chinese immigrants, and the opening of cross-strait express mail services have dominated the past five days of talks. Hsu said the two sides are still divided over whether agreements on the first three issues should be made retroactive.

In Taipei, SEF Vice Chairman and Secretary-General Chiao Jen-ho said that pacts on the repatriation of illegal immigrants and hijackers are still possible, although the talks on those issues are not going as smoothly as expected.

Talks Close Without Agreement*OW2811082894 Taipei CNA in English 0749 GMT
28 Nov 94*

[By Huang Hui-min & Debbie Kuoll]

[FBIS Transcribed Text] Nanjing, Nov. 28 (CNA)—Negotiators from Taiwan and Mainland China concluded the sixth round of cross-strait talks on technical issues Sunday [27 November] without reaching any agreements.

In a formal statement, the Taipei-based Straits Exchange Foundation (SEF) said it was a pity that no accords had been forged on technical issues pertaining to fishing disputes and repatriation of hijackers and illegal immigrants, even though the two sides did reach consensus on certain technical points.

During the Nov. 22-27 talks, SEF negotiators and their mainland counterparts from the Association for Relations Across the Taiwan Strait (ARATS) agreed to expand the notarization of documents from each other's territory to better deal with the increasing exchanges across the Taiwan Strait.

They agreed that tax documents, medical case histories, personal resumes and professional certifications will be added to the current notarization regime.

The two sides, however, failed to inch ahead on any other issues.

The ARATS representatives blamed the lack of achievements on the SEF for not abiding by the consensus reached in similar talks held last August in Taipei.

The SEF officials, however, argued that both sides interpreted the consensus differently, while ARATS produced many new sub issues, preventing the two sides from signing any accord.

Nevertheless, the SEF and ARATS officials agreed that the progress made in the Nanjing talks will contribute to the next round of talks, which will be held at a location and time yet to be decided.

Premier Reiterates Anti-Independence Stance

*OW2811092794 Taipei CNA in English 0840 GMT
28 Nov 94*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Nov. 28 (CNA)—Premier Lien Chan Monday [28 November] reiterated the government's strong opposition to Taiwan independence, provincialism and intra-racial conflict, while reaffirming its determination to create a longlasting stable and harmonious society.

Addressing the opening ceremony of the 1994 plenary session of members of the Overseas Chinese Affairs Commission (OCAC), Lien said he regrets that some candidates running in the Dec. 3 Taiwan gubernatorial and Taipei and Kaohsiung mayoral elections have advocated such irresponsible political appeals as hasty national unification or hasty Taiwan independence, intra-racial confrontation and provincialism.

"Such appeals are irresponsible and controversial, and may even disrupt social stability and hinder domestic economic development," Lien said.

Noting that the Republic of China [ROC] Government is determined to realize the ideal of "putting sovereign power in the hands of the people" stipulated in the constitution, Lien said the upcoming elections will mark a big step forward in Taiwan's political development.

"By holding the elections, the ROC Government is fulfilling its responsibility to history and honoring its political promise to Chinese people at home and abroad," Lien stressed.

He added the government is obliged to maintain lasting social stability so that all local residents and their offspring will be able to live, grow and develop on this land.

Lien further said Overseas Chinese have been one of ROC's most valuable assets. "Overseas Chinese have played a brilliant role in modern Chinese history and are expected to continue helping promote China's eventual unification under freedom, democracy and prosperity," he said.

Noting that the world situation is changing all the time, Lien said the ROC Government has been adjusting its strategy in dealing with overseas Chinese affairs to meet their changing demand.

Lien said the government will encourage overseas Chinese to actively participate in political, economic, educational and cultural activities in countries of their residence so that they can upgrade their social status there.

Lien also encouraged overseas Chinese to strengthen contacts, coordination and cooperation among themselves, regardless of their social class, professions and places of birth, for mutual benefit and interests.

The premier further promised that the ROC Government will assist overseas Chinese entrepreneurs in their business operations and will help them forge joint-venture partnerships with local industrialists.

Speaking at the same occasion, OCAC Minister Chang Hsiao-yen said the government's anti-communist and anti-Taiwan independence stance remains unchanged and its determination to pursue China's reunification also remains firm.

Chang urged overseas Chinese not to be confused by some misleading remarks or criticisms made by local opposition politicians. He also encouraged OCAC members to present their opinions and suggestions on future government policies and development projects.

More than 170 OCAC members from around the world are attending the three-day annual conference at Taipei's Grand Hotel.

Low Voter Turnout Scuttles Recall Effort

*OW2811083094 Taipei CNA in English 0701 GMT
28 Nov 94*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Nov. 28 (CNA)—Residents of Taipei county failed to recall four Kuomintang legislators Sunday [27 November] after light turnout for the vote scuttled Taiwan's first-ever recall effort.

The recall vote was called by the Taipei County Government to determine whether the four KMT legislators—Lin Chih-chia, Hung Hsiu-chu, Han Kuo-yu and Chan Yu-jen—should be allowed to keep their seats in the Legislative Yuan because they voted in favor of the budget for Taiwan's fourth nuclear power plant.

Turnout for the recall vote averaged 21.36 percent among the 29 cities and townships in Taipei county, well short of the 50 percent recall minimum.

Voter turnout in Kungliao, a coastal township in northern Taipei county where the planned fourth nuclear power plant will be built, was the highest, reaching 46.44 percent.

Meanwhile, residents also voted for a nonbinding referendum on whether to approve the construction of the fourth nuclear plant.

Despite a large-scale pre-vote demonstration by environmentalist groups to drum up support for their cause, voter turnout was even lower, averaging 18.45 percent.

The Taiwan Environmental Protection Union, one of the initiators of the recall action, announced Sunday

evening that it was a triumph for Taiwan's environmental protection cause even if the vote failed.

The union blamed low turnout on KMT tactics and a rainy day, saying that anti-nuclear activities will continue.

Lin Chih-chia, one of the four KMT legislators up for recall, said the results proved that both the recall vote and the referendum were ridiculous. He chided the Taipei County Government for "wasting the taxpayers' time and money."

Legislator Chan Yu-jen said the results showed that most Taipei county residents support the building of the fourth nuclear power plant. He said, however, that it agonized him that recall and referendum had been used as political tools by a few politicians who do not have proper respect for law and order.

Legislator Hung Hsiu-chu said it is not wrong to support a policy established by one's party. She added that she will try her utmost to ensure the safe development of nuclear power on Taiwan.

KMT Celebrates Centennial

OW2411090094 Taipei CNA in English 0836 GMT 24 Nov 94

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Nov. 24 (CNA)—President Li Teng-hui Thursday [24 November] reiterated his strong opposition to Taiwan independence and reaffirmed his firm determination to promote China's reunification.

Li made the statements in his capacity as Kuomintang chairman during a flag-raising ceremony held Thursday morning at the Sun Yat-sen Memorial Hall in downtown Taipei to mark the ruling party's centennial.

Addressing the ceremony, Li said the KMT has been dedicated to promoting Taiwan's development during the past 40 years. "By doing so, we hope to maintain the vitality and hope of the Chinese race," he stressed.

Li further said the KMT will continue to promote democratic reforms and economic prosperity in Taiwan to set a model for future development of all China.

He also renewed his call for mainland Chinese leaders to renounce hostility toward Taiwan and to tackle the unification issue with a new vision and new strategies.

More than 100,000 KMT members, supporters and ordinary citizens attended the flag-raising ceremony, which was presided over by Li.

Following the ceremony, Li presented awards to several outstanding KMT members in recognition of their services for the party and the nation. Folk arts performances were also staged to mark the occasion.

The KMT was founded by Dr. Sun Yat-sen in Honolulu in 1894 with an aim to overthrow the corrupt Manchu Government.

Deng's Son To Be Invited to Sports Event

OW2511142094 Tokyo KYODO in English 1351 GMT 25 Nov 94

[FBIS Transcribed Text] Hong Kong, Nov. 25 KYODO—Taiwan's Sports Organization for the Disabled plans to invite Deng Pufang, the disabled son of China's veteran leader Deng Xiaoping, to attend an international sports event for deaf-mute people in Taipei in February, Taiwanese media reported Friday [25 November].

Should the younger Deng, who serves as president of the Chinese Federation for the Disabled, accept the invitation, his visit would certainly boost bilateral exchange.

Wheelchair-bound Deng sustained his handicap during the 1966-1976 Cultural Revolution, when fanatical Red Guards, outraged over his father's moderate stance, took their anger out on him by throwing him out a window.

According to Taiwan's Central News Agency, a top official of the disabled sports organization will discuss the idea with Chinese officials during a trip to China next month.

Analysts say the Taiwanese move aims at boosting the island's international profile. Since Beijing considers Taiwan a renegade province, the invitation might not meet with much enthusiasm from China.

Deng's visit could also be hampered by procedural problems such as finding consensus over the naming of the Taiwanese team at the Taipei sports event.

Presence in International Organizations To Grow

OW2811074794 Taipei CNA in English 0640 GMT 28 Nov 94

[By N.K. Han]

[FBIS Transcribed Text] Washington, Nov. 27 (CNA)—Benjamin Lu, representative of the Republic of China [ROC] in the United States, said Saturday [26 November] that the ROC intends to increase its participation in both regional and global organizations.

Addressing members of the Sino-American Cultural Society at a luncheon, Lu said the ROC is grateful for active U.S. support for its membership in the Asia-Pacific Economic Cooperation and the General Agreement on Tariffs and Trade (GATT).

"In the months and years ahead, we will welcome U.S. support as well for our participation in the United Nations and other major multilateral organizations where we can be a constructive and productive global partner," he said.

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Lu pointed out that Taiwan has been making substantial progress in promotion of open markets and free trade, as well as protection of intellectual property rights, and that Taiwan has also voluntarily adopted many of the commercial standards observed by members of the GATT.

He said Taiwan looks forward to formal membership in the new global trading system, the World Trade Organization.

On bilateral trade relations with the United States, Lu indicated that Taiwan has successfully diversified its export markets and is now relying less on the U.S. market. He noted that Taiwan has reduced its trade surplus with the United States from US\$16 billion in 1987 to US\$6 billion in 1993.

Lu encouraged U.S. businessmen to take advantage of the many opportunities offered by Taiwan. He said that due to its ideal geographical location, Taiwan is suited to become a major business operations center in Asia.

Argentine Marine Products Imports To Be Allowed

*OW2611115894 Taipei CNA in English 0832 GMT
26 Nov 94*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Nov. 26 (CNA)—Taiwan has agreed to open its market to Argentine marine products in preparation for its entry to the General Agreement on Tariffs and Trade (GATT), government sources said Saturday [26 November].

Beginning Dec. 20, local importers can apply to import Argentine fishery products, the Board of Foreign Trade (BOFT) said.

Taiwan previously listed Argentina as a cholera-stricken area and prohibited import of its marine products.

After several rounds of GATT-related trade talks with Argentina, Taiwan finally agreed to lift the import ban. However, BOFT officials said, Argentine marine products must first pass inspections by local quarantine authorities.

"All live, frozen and roasted fishery products from Argentina are subject to inspection," the officials said.

The new market-opening measure is expected to help drive down prices for cuttlefish and mackerel in Taiwan as Argentina is highly competitive in exports of the two products, the officials noted.

Legislators Protest Sydney Customs Office's Action

*OW2611121494 Taipei CNA in English 0750 GMT
26 Nov 94*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Nov. 26 (CNA)—Several Taiwan legislators Friday [25 November] lodged a protest against the Sydney Customs Office over the forced strip-search on a Taiwan woman, who was so disturbed by the search that she needed to be hospitalized.

The 24-year-old woman, who traveled alone from Singapore to Sydney on Nov. 21, was reportedly strip-searched against her will by three female customs and police officers after refusing to be frisked for drugs.

No drugs were found, but the woman was so distressed by the search that she refused to leave the customs office for eight hours. A doctor then ordered that she be sent to Prince Henry Hospital near the airport, according to Taipei representative in Sydney who had been briefed by Australian customs officials regarding the matter.

Taiwan Foreign Affairs Ministry spokesman Rock Leng said the ministry has already contacted the Sydney authorities, asking for a formal, written explanation of the incident.

"The ministry will support the woman if she seeks to take legal action against the Australian Government," Leng added.

Meanwhile, the Taiwanese Association in Australia also demanded the Sydney customs authorities answer questions concerning the criteria for determining when and how to strip search a tourist.

An investigation must be conducted to determine whether the Sydney Customs Office violated the woman's human rights, an association spokesman said.

No Australian officials or related personnel rendered any assistance to the woman traveler after she was sent to the hospital, he added.

She returned safely to Taipei Thursday after the Taipei Economic and Cultural Office in Sydney helped arrange a Mandarin airlines flight for her.

British Firm To Build 2d Petrochemical Plant

*OW2411085194 Taipei CNA in English 0803 GMT
24 Nov 94*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Nov. 24 (CNA)—British Imperial Chemical Industry (ICI) Co. will invest NT\$8 billion (US\$303 million) to set up a second PTA plant in Taiwan, a spokesman for its Taiwan subsidiary said Thursday [24 November].

The British conglomerate has long operated a wholly-owned subsidiary here—ICI Taiwan Co.—to produce purified terephthalic acid (PTA). ICI Taiwan has a paid-in capital of NT\$4.5 billion (US\$170.45 million).

The ICI spokesman said the new plant will be able to produce 450,000 tons of PTA, an important petrochemical material widely used in industry, particularly for production of engineering plastics and polyester filament yarn. Local PTA supply has long fallen short of demand.

"When completed, the plant will be ICI's largest PTA production facility not only in Asia but also in the world," the spokesman said.

ICI Taiwan has filed a formal application with the Economics Ministry's Investment Commission for the investment project, the largest single foreign investment ever launched in Taiwan.

Vice Economic Affairs Minister Sheu Ke-sheng said the government attaches great importance to the new ICI investment project because it represents a recognition of Taiwan's general investment climate.

"By launching the new investment project, ICI has set a model for other multinational business groups to follow to use Taiwan as a regional operations center in the Asia-Pacific," Sheu noted.

Economics Ministry officials said the Mainland Affairs Council has approved an ICI application to invite six of its major clients in Mainland China to visit its Taiwan plant later this year.

The new ICI plant, to be located in the Kuanyin Industrial Zone in Taoyuan in northern Taiwan, is scheduled to be completed by 1997. The new plant will use the most advanced technologies and facilities to produce PTA and will be equipped with energy-saving and pollution control equipment, a senior ICI executive said.

Economic Conference With Japan Ends in Agreement

*OW2511141894 Taipei CNA in English 1403 GMT
25 Nov 94*

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Nov. 25 (CNA)—The 19th Economic Conference between Taiwan and Japan, which opened at Taipei's Ambassador Hotel on Wednesday [23 November], ended Friday, with the two sides reaching agreement on some major issues.

During the three-day meeting, Japan agreed to help Taiwan in technology transfers and its postal-delivery and flight-safety regime. Japan also pledged to strengthen information exchanges on investment and small and medium enterprises.

Taiwan consented to the Japanese request to intensify its crackdown on counterfeit consumer goods and to consult with Japan on the disposal of hazardous wastes in accordance with the Basel Convention.

The two sides also agreed to information exchanges by each other's environmental-protection research institutes.

Ma Chi-chuang, chairman of the Association of East Asian Relations, headed a 35-member Taiwan delegation at the meeting. Delegation members included Lin Chin-ching, Taiwan's representative in Japan, and business tycoon C.F. Koo.

The 40-member Japanese group was led by Hattori Reijirou, chairman of the Interchange Association of Japan. Among the delegation were Interchange Association board member Kayou Harunori and the director of the association's Taipei office, Yanai Sinichi.

Taiwan has long maintained close trade ties with Japan, despite the absence of official ties. Taiwan, however, suffered a trade deficit of US\$14.42 billion with Japan last year.

Taiwan suspended diplomatic relations with Japan in 1972 after the Tokyo Government switched its recognition to Beijing.

Economic Meeting Opens in Pretoria

*OW2511080694 Taipei CNA in English 0731 GMT
25 Nov 94*

[By Cheng Jer-shong and Sofia Wu]

[FBIS Transcribed Text] Johannesburg, Nov. 24 (CNA)—The Republic of China [ROC] has become South Africa's sixth largest trade partner and there is still ample room for bilateral cooperation between the two countries, South African trade and Industry Minister Trevor Manuel said Thursday [24 November].

Addressing the opening ceremony of the 13th ministerial-level ROC-South Africa economic cooperation conference, Manuel said trade and economic relations between Taiwan and South Africa are complementary.

Noting that South Africa has abundant natural resources and Taiwan has rich capital and technical and managerial expertise, Manuel said both will benefit from closer cooperation.

"We are undertaking a sweeping national reconstruction plan and need foreign investment to create more job opportunities and boost exports," Manuel said. "We admire Taiwan's economic achievements and welcome Taiwan investors to help buoy our economy."

Speaking at the same occasion, ROC Economic Affairs Minister P.K. Chiang said Taiwan companies had launched 304 investment projects worth US\$664 million in South Africa as of the end of 1993.

Following President Li Teng-hui's visit to South Africa to attend Nelson Mandela's presidential inauguration in May, Chiang said, the ROC Government has encouraged its businessmen to invest even more in South Africa.

Chiang further said Taiwan and South Africa agreed to launch 25 new cooperative projects in August when Chairman Hsiao Wan-chang of the Council for Economic Planning and Development led a large trade

mission to visit South Africa. "We are faithfully implementing all those projects," he added.

Chiang, accompanied by a 20-member delegation composed of officials from concerned government agencies and major state-run enterprises, arrived in Johannesburg Thursday morning.

The opening ceremony of the ministerial-level meeting was held in Pretoria. Beginning Friday, the participants will hold panel discussions on a range of topics, including trade and investment, energy and mining, technological development, transportation, agriculture, fisheries and forestry.

Chiang said he believes the conference will be able to produce concrete results to further strengthen friendship and economic cooperation between the two countries.

Chiang is expected to sign with Manuel medical, conservation and mining cooperation agreements as well as steel and corn purchase accords. Taiwan has also agreed to provide a US\$15 million loan for South Africa to finance a small-farm development plan. Chiang and his South African counterpart will issue a joint communique at the end of the conference on Nov. 29.

South Asian Markets To Be Explored

OW2611115694 Taipei CNA in English 0756 GMT
26 Nov 94

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Nov. 26 (CNA)—Taiwan is setting its sights on South Asia in a bid to explore new trade and investment opportunities, the Board of Foreign Trade said Saturday [26 November].

To achieve the goal, officials pointed out, the board is working on a package of measures to strengthen trade ties with South Asian countries, including Myanmar [Burma], India, Bangladesh, Sri Lanka, Pakistan, Laos and Cambodia.

Under the package, the officials noted, the South Asian region will become a new market focus for Taiwan manufacturers following the "southern strategy," which encouraged domestic investors to make inroads into Southeast Asian markets.

Statistics show that two-way trade between Taiwan and the seven South Asian countries totaled only US\$1.28 billion last year, accounting for less than 1 percent of Taiwan's US\$162 billion foreign trade.

The figures, which indicated a distance between the two sides, also showed that there is ample room to enhance the bilateral economic relationship, the officials elaborated.

Domestic manufacturers could consider taking this opportunity to tap markets in South Asian countries,

which boast rich natural resources and have recently embarked on various plans to develop their external ties, they noted.

Moreover, they said, Taiwan has reached a preliminary consensus with Singapore to jointly explore the Myanmar market.

The consensus on the cooperative plan was reached between Hsiao Wan-chang, chairman of the Council for Economic Planning and Development, and Singaporean Prime Minister Goh Chok Tong during the informal leadership summit of the Asia-Pacific Economic Cooperation forum held in Bogor, Indonesia early this month, they added.

Foreign Trade Board Says Mainland Imports Growing

OW2511084294 Taipei CNA in English 0735 GMT
25 Nov 94

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Nov. 25 (CNA)—Taiwan's indirect imports from Mainland China continued to grow in the first three quarters of this year, but at a slower pace than in recent years, the Board of Foreign Trade [BOFT] said Friday [25 November].

Taiwan's Jan.-Sept. imports via Hong Kong soared 76.8 percent to US\$1.219 billion, a BOFT spokesman said.

The amount, calculated by the Directorate General of Customs, included only those imports registered in customs offices, the spokesman noted.

The top ten products among the imports were bituminous coal, leather shoe uppers, stuffed feather and down products, zinc, crude granite, non-coniferous wood chips and particles, transformers, feldspar, rubber footwear parts, iron and related products, in that order, with non-coniferous wood chips and particles enjoying the fastest growth.

Other mainland products which saw exceptional growth included motors which produce less than 37.5 watts and refined lead, growing two-fold and 2.89-fold, respectively.

Although imports from the mainland continued to increase, the rate of increase was much slower than in previous years, when imports of many items grew at an average rate of seven or eight times, the spokesman said.

OTC Market To Ease Restrictions on Foreign Capital

OW2511140594 Taipei CNA in English 1249 GMT
25 Nov 94

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Nov. 25 (CNA)—The Over-The-Counter (OTC) Traders Association said

Friday [25 November] that it is planning to relax restrictions on foreign investment in the OTC market.

Under the planned measures, a spokesman for the association pointed out, a single foreign institutional investor will be allowed to own up to a 10 percent stake of an OTC-listed company while the ceiling on aggregate foreign investment in an OTC-listed company will be raised to 25 percent. Currently, the ratios are 5 percent and 60 percent, respectively.

The plan to allow more foreign capital in the OTC market follows a similar decision made Thursday by the securities and exchange commission to ease limits on foreign institutional investment in the domestic stock market.

Based on the principle of competitive fairness, the OTC Association decided to follow suit, the spokesman explained.

OTC trading [words indistinct] in which transactions of unlisted securities are conducted through a telephone and computer network connecting dealers, rather than on the floor of an exchange.

OTC issues are normally issued by smaller and newer companies and are considered a bit riskier than ordinary ones listed on a stock exchange.

Arms Broker Sentenced for Possessing Classified Documents

*OW2411150294 Taipei CNA in English 1400 GMT
24 Nov 94*

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, Nov. 25 (CNA)—The Taiwan High Court on Thursday [24 November] sentenced an arms broker to eight months in jail for the illegal possession of classified military documents.

Changchi, who had been detained for more than seven months since he was arrested is released on bail of NT\$100,000 (US\$3,816) because he will appeal the sentence. Under Taiwan law, a person appealing his sentence may remain free. If his appeal is later rejected, his time already served will be subtracted from his sentence.

According to the verdict, Chang, who retired from the Navy as a commander in 1989, had illegally possessed documents relating to the Navy's plan to purchase eight Perry-class frigates.

Navy Captain Chang An-yi has previously been given a life sentence for passing on the classified documents to Chang.

The Navy did not start to look into the leaking of military secrets until the death of Captain Ying Hing-feng, 48, chief secretary of the Navy's Procurement Office.

Ying's body was discovered floating off Taiwan's northeastern coast in December. He was believed to have been murdered because he was about to reveal that bribes had been paid for the awarding of weapons contracts. No suspects have been arrested for his murder.

As of Oct. 24, 23 military officials had been sentenced, including three to death, in Taiwan's largest-ever arms scandal.

Hong Kong

U.S. Stance on GATT Seen as 'Out-of-Line'

HK2511054894 Hong Kong SOUTH CHINA
MORNING POST in English 25 Nov 94 p 24

[Editorial: "Ball in Americans' Court"]

[FBIS Transcribed Text] Trade Minister Wu Yi's last minute brinkmanship in China's negotiations with the United States over entry into the General Agreement on Tariffs and Trade (GATT) is reminiscent of Beijing's tactics in many other trade disputes. Despite her warning that China will make no more compromises to join the agreement in time to become a founder member of the new World Trade Organisation on January 1, Ms Wu may still be ready to make concessions in return for some sign of movement from the Americans. China sees the advantages of operating within the international trading system rather than outside it and knows it must operate by the rules of the club if it wants to join any time soon. The rest of the world wants China in the GATT—none of the big players is desperate to bring China in at any cost.

Nevertheless, the ball is now in the American court. U.S. experience with Japan makes Washington wary of giving China concessions which could later prove irreversible as China develops into a more and more formidable economic machine. But that does not justify forcing Beijing to enter GATT as a developed country at this stage.

The European Union is as keen as Washington to impose safeguards on manufactures imports from China and open markets for its own goods and services. [sentence as published] Japan, too, wants access to Chinese markets. But neither is insisting China accede to the GATT as a developed country, with all the immediate market opening measures that would imply.

Washington's mercantilism and protectionism are out of line with its free-trade rhetoric. Allowing China to re-enter GATT as a "country in transition" seems a reasonable compromise. If the U.S. believes rules are made for others, it can hardly blame China for doing the same.

XINHUA Official Blames UK for Boat People Problem

HK2811131894 Hong Kong WEN WEI PO in
Chinese 27 Nov 94 p A12

[Report: "Zhang Junsheng Talks About Vietnamese Boat People Issue, Pointing Out that British Side Should Be Responsible for Solving It"]

[FBIS Translated Text] Zhang Junsheng, deputy director of the XINHUA News Agency Hong Kong Branch, yesterday reiterated that the British side should be fully responsible for solving the issue of Vietnamese boat people. He said that declaring Hong Kong as a port of

first asylum, Britain has already brought about great financial burdens and perplexity to Hong Kong. The British side should be responsible for successfully resolving this issue by 1995 and should not leave the load to the government of the Hong Kong Special Administrative Region.

Zhang Junsheng made these remarks yesterday after attending a seminar on "Demand and Training of Industrial and Commercial Professionals in Hong Kong in the 21st Century," which was sponsored by the Hong Kong Chinese Postgraduate Students Association. He said that the deadline for successfully resolving the issue of the Vietnamese boat people staying in Hong Kong, that is by 1995, was set by the office of the UNHCR [words indistinct] Geneva conference.

He pointed out once again: "The so-called Vietnamese refugees issue, which later became the boat people issue, is entirely a burden imposed by the British side onto the shoulders of the Hong Kong people. They accepted the boat people, regarding Hong Kong as a port of first asylum. Originally, Hong Kong was not a place for relocating the Vietnamese refugees but Britain made it a port of first asylum, took in these people, and did not transfer them to other places after doing so. Because many countries, including Britain, refused to accept these people, they could not but stay in Hong Kong. Therefore, the British side should be fully responsible for this."

He continued: "Britain accepted the refugees and held them in Hong Kong. This has become a great burden for Hong Kong and the Hong Kong people have also been repeatedly perplexed by it. Moreover, in the financial field, Hong Kong's taxpayers have also paid much money because of this. The British side should be responsible for successfully resolving this issue by 1995 and should not leave the load to the government of the special region."

When asked by a reporter what the Chinese side could do to help resolve the boat people issue, Zhang Junsheng said: "As I have said before, if after screening, some refugees or boat people, especially refugees, are found to have been previously living on the mainland, we will try our best to take them back for relocation again. We have been doing so and have made great efforts in this field. On the other hand, as requested by the British Hong Kong authorities, we have also done our best to help stop refugees from flowing into Hong Kong. This is what we have done so far."

When a reporter asked what if the boat people issue remained unresolved, Zhang Junsheng replied: "You should not ask me, ask the British side!"

Infrastructure Group Not To Have Effect on Autonomy

HK2811070694 Hong Kong EASTERN EXPRESS
in English 28 Nov 94 p 6

[By Shiny Li]

[FBIS Transcribed Text] The proposed Sino-British co-ordination committee on the construction of cross-border infrastructure will not be a policy-making body, a senior Government official said yesterday.

The Secretary for Planning, Environment and Lands, Tony Eason, will meet officials from the Hong Kong and Macao Affairs Office (HKMAO) in Beijing on Friday to discuss the role and set-up of the committee.

Eason said the committee's task will be to co-ordinate cross-border infrastructure projects such as highways and a proposed new rail link.

Eason stressed, however, that the committee will not be given a final say on those projects.

"I don't think (the committee) will have any effect on Hong Kong's own autonomy and decision-making, and certainly there's no intention to cause confusion with other existing machineries," Eason said.

His statement appeared designed to let Beijing know that the autonomy of the administration will not be compromised.

At present, the Sino-British Joint Liaison Group and a local area cross-border liaison group co-ordinate on cross-border infrastructure matters.

Eason said that issues to be handled by the new committee will be technical in nature.

He said several small specialist groups to co-ordinate different projects would be more effective than one large body.

A central committee should be created to oversee the work of the smaller groups, he suggested.

The committee will also discuss the location and construction details of infrastructure projects, Eason said.

The Chinese convenor of the committee, Zhang Liang-tung, who is also the head of the economic department of the HKMAO, said that the existing machinery on cross border infrastructure handled only individual projects and there was a need to centralise the work "in a more efficient way".

It is understood that the Beijing to Kowloon railway, due to be completed by the end of 1995, will be a priority for discussion.

The construction of Ling Ding Yang bridge, which will link Zhuhai and Tuen Mun, will probably be another important issue.

The bridge project has been held up because of strong opposition by Tuen Mun residents.

They fear the project will clog the district's already congested roads.

Bank of China To Rotate as Head of Association

*OW2511153894 Beijing XINHUA in English 1517
GMT 25 Nov 94*

[FBIS Transcribed Text] Hong Kong, November 25 (XINHUA)—The Bank of China will rotate as chairman bank of the Hong Kong Association of Banks (HKAB) for the first time in Hong Kong history as of January 1996.

The BOC group's spokesman today said, "the Hong Kong Association of Banks, following their committee meeting today, announced their proposal that the Bank of China join the Hong Kong and Shanghai Banking Corporation Limited and the Standard Chartered Bank to serve on a rotation basis as chairman of the association's committee."

"From January 1996, Bank of China will assume chairmanship for the first time. We welcome the committee's resolution," the spokesman said.

He said, "Bank of China's issue of Hong Kong dollar banknotes since May this year has received good support from the public and its banking counterparts."

"Continuing with our stated objective of building a solid base in Hong Kong and rendering services to the public, Bank of China will cooperate closely with the banking counterparts and various circles of the society. We will make our own efforts for the stable development of the finance industry, and for the healthy operation of the banking industry in Hong Kong," the spokesman added.

Also today, the Hong Kong monetary authority made a statement, welcoming the proposal of the HKAB committee.

Signaling System Contract Awarded for Airport

*OW2611123594 Beijing XINHUA in English 1134
GMT 26 Nov 94*

[FBIS Transcribed Text] Hong Kong, November 26 (XINHUA)—Hong Kong's Mass Transit Railway Corporation announced today the award of the signaling system (C552) contract, worth of 470 million HK dollars (about 60.25 million U.S. dollars), for the airport railway.

The works in the contract include installation of computer based interlockings at 14 locations along the railway and provision of an automatic train control system to manage the complex interposing of airport express trains and Lantau line trains.

Equipment will be installed in the rolling stock to enable trains to respond to service requirements determined in the operational control center at Tsing Yi.

The works will be supervised by the corporation's own project management team and will commence on November 28, 1994.

This contract is the 9th of 31 major contracts expected to be awarded by MTRC for the construction of the airport railway and the value of awarded contracts remains within budget.

Seminar on Trade Ties Opens

OW2311130694 Beijing XINHUA in English 1157
GMT 23 Nov 94

[FBIS Transcribed Text] Hong Kong, November 23 (XINHUA)—A seminar on trade and investment between the future Hong Kong and the Chinese mainland opened at the Hong Kong convention and exhibition center here this morning.

Organized by the Preliminary Working Committee Economic Subgroup of the Preparatory Committee for the Hong Kong Special Administrative Region (HKSAR), the one-day event which cost each participant 800 HK dollars (100 U.S. dollars) for entrance has drawn hundreds of enthusiastic audiences.

Eight top Chinese officials and local business leaders including Chinese Foreign Trade and Economic Cooperation Minister Wu Yi have been invited to speak on subjects ranging from the economic and legal status of HKSAR, investment policies between the two areas to China's reentry into GATT.

The seminar is designed to mainly discuss solutions to possible issues arising from investments from or through Hong Kong into the Chinese mainland after 1997 when China resumes its sovereignty over Hong Kong, according to an organizer of the seminar.

Addressing the opening ceremony, Zhou Nan, director of XINHUA NEWS AGENCY Hong Kong branch, said that such a seminar is most appropriate and of great significance at a time when the clock is ticking ever closer to 1997.

He hoped that participants will find solutions through discussions at the seminar to the above mentioned issues in order to ensure a smooth economic transition and a long-term prosperity in Hong Kong.

Lu Ping Gives Assurances on Post-'97 Film Industry

HK2811080094 Hong Kong TA KUNG PAO in Chinese 24 Nov 94 p 2

["Special dispatch" by staff reporter Li Ping-hua (2621 3521 5478): "Lu Ping Says Hong Kong Film Industry Will Remain the Same After 1997, Enjoy Freedom of Creation Including Shooting X-Rated Movies"]

[FBIS Translated Text] Beijing, 23 Nov—Lu Ping said today that the Hong Kong film industry will remain the same after 1997. There will be full freedom of film creation, including the shooting of X-rated movies.

Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, and vice director Chen Ziyang met this evening with the visiting Hong Kong film circle delegation headed by Hung Tsu-hsing, president of the Hong Kong Film Industry Association, at Diaoyutai's Bafangyuan. The two sides held an hour-long discussion. Lu Ping said: Hong Kong's cultural and art undertakings are the internal affair of the Hong Kong Special Administrative Region. Its film industry will remain as it is now, and it will never be subject to central government interference and restriction. Neither the Ministry of Radio, Film, and Television nor the Ministry of Culture will manage Hong Kong's film industry, nor will there be between them a relationship of leaders and the led.

Lu Ping said: Freedom of film creation in Hong Kong will be protected by law after 1997. This was already taken into full consideration when the Basic Law was being drafted. Hong Kong people can decide what films to shoot and how to shoot them according to their own wishes and needs, and they can release films and run cinemas independently. The film censorship ordinance also will be worked out by the special administrative region itself. The release of Hong Kong films on the mainland is subject to the current regulations. Naturally, when Hong Kong reverts to China in 1997, we will become one family, and we should cooperate and coordinate with each other even better; however, this cooperation is in line with the principle of "one country, two systems."

In Lu's view, the film industry is a comprehensive art. It is a cultural and recreational undertaking, but also plays a certain social function. For this reason, it requires the concern and support of society and the government, and should not be allowed to grow and perish of itself. Only through joint efforts can the Hong Kong film industry develop continuously and make gradual improvement. He said: When setting up the Preparatory Working Committee of the Hong Kong Special Administrative Region a year from now, we should take the voice of film circles into consideration.

During the hour-long meeting, the Hong Kong film circle delegation made some suggestions and talked about many things. Lu Ping encouraged people in Hong Kong film circles to visit the mainland more frequently and to exchange views at any time so that the Hong Kong film industry can constantly develop and make progress.

PWC Culture Subgroup Reverses Decision on Textbook

HK2711080894 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 27 Nov 94 pp 1, 2

[By Quinton Chan]

[FBIS Transcribed Text] The Preliminary Working Committee's [PWC] problem-prone culture subgroup yesterday backed down over its controversial proposal to vet all local textbooks.

In its second major U-turn in weeks, the panel's Hong Kong co-convenor, Dr Raymond Wu Wai-yung, pledged there would be no checking of schoolbooks for compliance with the Basic Law. Instead publishers would be free to include whatever they liked, including accounts of the June 4, 1989, crackdown and the recent row over political reform.

He insisted the PWC panel would do no more than request, through the Joint Liaison Group (JLG), that the Hong Kong Government add a new clause to the advisory guidelines on textbooks to be published in 1997, urging they comply with the Basic Law.

But Dr Wu pledged that, even if local publishers chose to obey this, it would not lead to any big changes in the textbooks, and so there was no need for them to fear for the future of their businesses. "It's just like taking the Queen's head off our stamps," he said. "What we ask for is very simple, just some minor changes on the one China policy. It doesn't even matter if textbooks describe the June 4 incident and Sino-Hong Kong affairs. This won't violate the Basic Law." Dr Wu said he expected this proposal to be passed by a full session of the PWC in Beijing next week.

Yesterday's remarks were in marked contrast to the suggestions of the culture panel two weeks ago, which provoked a storm of protests from educators and legislators. It was reported the group had proposed China hand its own textbook guidelines to the British side for discussion in the JLG, and that the Education Department would have to check that all textbooks for the 1997 school year comply with these.

Soon after this, two major publishers dropped plans to publish new primary textbooks, because they feared some of their contents, including a section on Sino-Hong Kong affairs, might not be acceptable beyond the handover. But Dr Wu yesterday blamed the press for the widespread criticism of the earlier proposal, insisting the media had misunderstood what the panel meant.

The latest U-turn comes only two weeks after the culture panel toned down another controversial proposal that the post-1997 government automatically recognise degrees from 561 mainland universities. This was widely attacked as interfering with the autonomy of the future Special Administrative Region.

But the panel again complained it had been misinterpreted over this, and Beijing then decided to ban press briefings after PWC meetings.

Democratic Party education spokesman Tik Chi-yuen said last night that even the PWC's new scaled-down proposal on textbooks was unacceptable and urged the panel to think twice before tabling any suggestions. "All the panel is trying to do is stress that Beijing should have some influence over the issue," he said.

But group member Xu Ximin said the problem was the bias of some people against the PWC. "It is not the first

time the group's suggestions have drawn criticism. We shouldn't care too much about this," he said.

Medical Group Criticized for Failure To Investigate

HK2711080694 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English 27 Nov 94
p 1

[By Queenie Wang]

[FBIS Transcribed Text] The international reputation of Hong Kong doctors is being tarnished by the refusal of local professional bodies to investigate the controversial practices of one of their colleagues, it was claimed last night. The warning came as it emerged the Hong Kong Medical Association had dropped plans to quiz renal specialist Dr George Chan Man-kam on the Sunday Morning Post's revelation that he referred patients to China to receive the kidneys of executed prisoners.

Vice-chairman Dr So Kai-ming said the investigation was aborted because "no concrete action could be taken." "If we invite him for a discussion, we should have a definite target on what we could do next," he said. "But the association doesn't have the authority to take any action against him."

Dr So added no formal complaint had been received about Dr Chan's conduct, but the association would continue to monitor the situation. "If we receive a formal complaint about the doctor, then it's justified to invite him," he said.

The Hong Kong Medical Council, a quasi-governmental body which registers all local doctors and has the authority to conduct such investigations, has also refused to take action in the absence of a formal complaint. Dr Chan has denied organ trading and insisted all his patients' kidneys are voluntarily donated by the prisoners before they died. He claimed to be "one of the most ethical doctors in Hong Kong".

But Democratic Party legislator Dr Huang Chen-ya last night warned that the medical profession's refusal to probe Dr Chan's activities could have international ramifications. "If the association remains silent over Dr Chan's practice, then international professions will view this as support by the local profession. It casts doubts on our ethical standards," he said. "They should at least invite Dr Chan for a meeting. This is not just a matter of public interest, it also discredits our reputation."

Dr Huang, who is a brain surgery specialist, noted overseas medical experts had already expressed concern about the conduct of local practitioners when two local residents agreed to donate their organs before being executed in the Philippines earlier this year. "Even with consent of the donors, overseas experts still doubt whether the consent received was genuine," he said. The

legislator said he was considering filing a complaint with the professional bodies, urging them to investigate Dr Chan.

The Renal Companion Association, which represents local kidney patients, also criticised the Medical Association for not acting. "We wonder whether Dr Chan has explained the whole picture to the patients," said chairman Lai Chiu-ping. Mr Lai urged the association to investigate whether Dr Chan had overcharged his patients. The group comprises about 300 patients who already have new kidneys. About one third received them in China, mostly through Dr Chan's network.

Commentary Criticizes Sewage Master Plan

HK2411065094 Hong Kong ZHONGGUO
TONGXUN SHE in Chinese 1216 GMT 9 Nov 94

[Commentary by correspondent Zhao Jin (6392 6855):
"Hong Kong's Sewage Master Plan Should Not Degrade
into a Historical Blunder"]

[FBIS Translated Text] Hong Kong, 9 Nov (ZHONGGUO TONGXUN SHE)—Since a sewage master plan for Hong Kong concerns the improvement of its present environment as well as its sustained economic and social development in the future, Hong Kong should follow a strictly scientific and pragmatic approach and refrain from embarking on anything without conducting a feasibility study. Regrettably, the British Hong Kong government did not conduct a comprehensive and systematic feasibility study according to standard procedures but wants to launch its sewage master plan hurriedly. There is concern that such an irresponsible practice will result in an irrevocable and historic mistake for Hong Kong, leaving future generations to pick up the pieces.

The sewage master plan announced by the Hong Kong Government lacks feasibility. There are problems in at least three areas:

1. The plan does not conform with UN environmental protection standards and cannot provide adequate treatment for pollution in Hong Kong.

There is no doubt that the environment in Hong Kong requires treatment and the pollution in Victoria Harbor urgently needs a solution. China has consistently held a positive stand on this issue; as a matter of fact, it believes that as long as a decade ago, the British Hong Kong Government should have attached greater importance to environmental treatment engineering and identified solutions to the problem. According to the "Guidelines on Evaluating the Capacity of the Ocean Environment and Impact on the Coastal Environment," drawn up in 1986 by a UN ocean pollution panel of experts, any project designed to develop and exploit the ocean has to conduct ocean impact evaluation studies. This is a standard procedure in coastal countries as well as internationally.

Hong Kong's tactical sewage plan envisages four phases. The entire master plan is designed on the premise that the final effluent exit will be situated in the Dangan Sea Water in the South China Sea. Work in phase one is inseparable from work in all other phases. According to international conventions and China's relevant laws, the British Hong Kong Government should make a comprehensive evaluation of its tactical sewage plan, followed by stage-by-stage and key problem evaluations.

However, the British Hong Kong Government did not conduct any comprehensive, complete, and systematic evaluation of the impact of its sewage plan on the ocean environment, only a feasibility study of phase one work. Such a deliberation and study procedure puts the cart before the horse, contravenes all international practices, and is very unscientific and irresponsible. Even concerning work in phase one, these were only engineering feasibility studies; there were no evaluations at all of marine ecology and marine productivity based on data collected by long-term sea monitoring. This is highly inconclusive. Work in phase one will be the cornerstone for all work that follows. Tactics and options after phase one, however good they are in improving things, cannot escape the restrictions posed by phase one. It has to be said that basing the cornerstone on an obviously inadequate deliberation and feasibility study is extremely risky.

Furthermore, work in phase one which is to be hastily mounted, cannot improve the water quality in Victoria Harbor by "70 percent," as claimed by the British Hong Kong Government. Any impartial evaluation based on internationally accepted standards and criteria will find that the Hong Kong Government's claim is over-generalized. Experts from China have pointed out that the plan can only reduce the bacillus coli level of the harbor water by 70 percent, while the water's organic matter and heavy metals will remain at the same level, continuing to pollute the harbor.

Phase one also plans to site the effluent exit of the daily 2 million tonne of toxic sewage generated by works in phase one at Stonecutters Island. As water at the effluent exit is not deep enough, such a large discharge means a reduced level of dilution for districts adjacent to the effluent exit—far less than the 50 times dilution claimed by the Hong Kong Government. Calculations on the contaminated pathway diameter method and the L-NJ formula yielded the same result: A 20-times dilution. The chemicals-assisted (lime) class one deposit treatment planned by the British Hong Kong Government can only eliminate toxic matters, heavy metals, and some bacteria in the waste matter; it cannot remove the nutrients (nitrogen and phosphorus) and organic matters (BOD/COD), which is the chief reason why the terrible red tide may appear in Victoria Harbor in the future. The reasons and feasibility for lime treatment, the ammonia and organic matter pollution likely to be caused by the effluent exit as planned in phase one, water quality standards in Hong Kong waters and the Zhujiang

Delta and so on, are all issues requiring careful study before phase one is mounted. To this day, however, the British Hong Kong Government is still covering up all these problems and avoiding discussing them in an attempt to continue to keep Hong Kong people and legislators, who are responsible for passing the appropriations, in the dark.

2. Removing trash to the South China Sea and polluting it.

There is only one earth for mankind. Hong Kong and South China share the same waters. On the British Hong Kong Government's phase two sewage plan, long sewer pipes will be laid to pump waste matter into the South China Sea. In treating one's own environment, we can "mind our own business" but we cannot sweep the trash over to our neighbor's door. Experts have pointed out that initial sewage treatment in phase one can only remove 10 percent of the waste matter. The remaining 90 percent of untreated sewage will drain off into the South China Sea, with the certainty that it will pollute the surrounding waters and destroy the marine environment; not to mention the possibility, given the right winds and currents, that it might flow back to Hong Kong. The Hong Kong Government's sewage plan is on such an enormous scale that around the world there are only a few like it. That is why calculations for projects must not be done in a slipshod fashion or mistakes on a historic scale will be made. However, the British Hong Kong Government rushed into action in launching this plan. It is hard to be convinced that such behavior is responsible.

3. Huge expenditure is required while efficiency remains doubtful.

The sewage plan is estimated to cost HK\$22 billion, an annual HK\$1.1 billion for maintenance, and will require 15 years to completion. After witnessing the continuous rising costs for Hong Kong's new airport, who can believe that the expenditure for the sewage plan can be capped at HK\$22 billion? Experts have estimated that the project may cost as much as HK\$68 billion before it is completed. Such a huge sum of money can come only from the pockets of Hong Kong people, while the plan's efficiency remains doubtful. Such an irresponsible investment exposes once again the mentality of British Hong Kong Government on the eve of pulling out: Spend all Hong Kong people's money and let British

businessmen benefit from the spending. The media in Hong Kong has pointed out that the Hong Kong Government is "open to the suspicion of eagerly awarding the HK\$8 billion-worth phase one work to British companies" in stressing to launch the sewage plan when it is riddled with loopholes.

Hong Kong needs a clean harbor. Hong Kong people need a beautiful home. Sewage plans take hundreds of years, while the British Hong Kong Government has only less than 1,000 days to run Hong Kong. Hong Kong people should have the right to be consulted on this matter. We believe that only through sincere cooperation between China and Britain, listening to and absorbing Hong Kong people's views and suggestions, and through discussion of the whole tactical sewage plan, can we find a method for tackling Hong Kong's environmental pollution.

Macao

Macao Basic Law Competition Concludes

OW1911165894 Beijing XINHUA in English 1602
GMT 19 Nov 94

[FBIS Transcribed Text] Macao, November 19 (XINHUA)—Macao University has won the competition on the Basic Law of Macao Special Administrative Region (SAR), which closed here this afternoon.

Representing Macao, the university will participate in a competition on the Macao Basic Law, to be held next March in Beijing under the sponsorship of the Hong Kong and Macao Affairs Office of the Chinese State Council.

Ho Hau Wah, chief director of the Macao Association for Promotion of Macao Basic Law, said after the competition that it is imperative for local young people, who are masters of future Macao SAR, to learn and have a better understanding of the Basic Law.

It is necessary to let more residents know about the Basic Law, he pointed out, stressing that it is helpful to guarantee Macao's smooth transition and increase Macao people's confidence in future.

He encouraged local institutions, social organizations and schools to conduct activities for promotion of the Macao Basic Law in more wider ways in future.

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